

First Monitoring Report on the Implementation of the Reform Agenda of the Republic of Serbia

Executive summary

INTERSECTORAL WORKING GROUP FOR THE REFORM AGENDA MONITORING IN THE REPUBLIC OF SERBIA
May 2026

Of the thirty-four (34) reform steps due by 31 December 2025 and subject to an independent assessment by the Intersectoral Working Group for the Reform Agenda Monitoring in the Republic of Serbia (IWG), **six (6) are assessed as achieved and twenty-eight (28) as not achieved**. This brings the implementation rate to 18%.

The steps achieved relate almost entirely to the technical transposition of legislation or a quantitative indicator against a pre-defined baseline, while none reflects substantive reform progress in the areas of the rule of law, media or the judiciary.

A precondition not met by Serbia: effective democratic mechanisms

The Reform Agenda is conditional: in order for Serbia to receive funding under the Reform and Growth Facility (RGF), amounting to a total indicative allocation of **EUR 1.586 billion**, it must fulfil the applicable preconditions and general conditions. The IWG finds that the precondition concerning **effective democratic and rule of law mechanisms has not been met**. This represents a material regression compared with the European Commission's initial assessment, due to:

- the escalation of the state's response to the protest movement following the tragedy at the Novi Sad railway station, including documented patterns of excessive use of police force and ill-treatment of detained students and citizens;
- the organised violence and systematic irregularities at the 29 March 2026 local elections;
- the adoption of the January 2026 judicial amendments that reduced the independence of specialised prosecution bodies; and
- the continuing deterioration of media freedom and the safety of journalists.

Transparency and budget oversight: another condition not met

The general condition concerning transparency and budget oversight **has not been met**. In 2024 alone, public investments contracted outside the regular budgetary and public procurement frameworks amounted to **EUR 5.7 billion**. These exemptions were further expanded under the **EXPO 2027** special legislative framework. The transparency obligation expressly provided for in the Reform Agenda with regard to contracts concluded under intergovernmental agreements has not been implemented.

Findings by policy area

Business Environment and Private Sector Development: three out of seven reform steps achieved

This is the policy area with the strongest overall results, although the reform steps assessed as achieved also raise serious substantive concerns.

Reform steps not achieved:

- **State aid inventory.** The Government claims that the inventory was agreed with the Commission. However, in its Decision of January 2026, the Commission stated that its comments from March 2024 had not been fully taken into account. The inventory has not been published, making independent verification of its contents impossible.
- **Action plan for alignment of state aid schemes with the EU acquis, based on a final inventory.** The action plan has neither been adopted nor published. The draft was not made available on the eKonsultacije portal, and no civil society organisation participated in its preparation.
- **Transparency regarding all projects contracted under intergovernmental agreements.** The ministries have established dedicated pages on their websites, but the complete texts of contracts, financial data and information on subcontracting are not published. The only case in which a contract was published - the reconstruction of the Novi Sad railway station - resulted from public pressure and did not become standard practice.
- **Amendment to the Rules of Procedure of the Government concerning public hearings.** The most striking finding in this area is that the new Article 41a of the Government's Rules of Procedure widens, rather than narrows, the grounds for exemption from public hearing. Four members of the working group - representatives of three civil society organisations and the Standing Conference of Towns and Municipalities (SCTM) - submitted objections. Nevertheless, the text was adopted without notifying the members and without being published on the eKonsultacije portal. In its subsequent opinion, SIGMA/OECD delivered a predominantly negative assessment.

Reform steps achieved:

- The number of funded researchers and innovative companies exceeds the targets set: **3,906 researchers**, against a target of 3,400, and **619 companies**, against a target of 600.
 - Alignment with the Regulation on the European Research Infrastructure Consortium (**ERIC**) was implemented through legislative transposition.
 - At least ten rural infrastructure projects were contracted. However, centralised data on the contracted projects were not published; the IWG therefore had to verify the information through municipal portals.
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Green Transition - Energy: one of seven reform steps achieved, with one additional step previously approved by the European Commission

The energy sector has recorded significant formal progress, but this has not resulted in the substantive achievement of the reform steps concerned.

Reform steps not achieved:

- **Gas sector (three reform steps).** TSO "Transportgas Srbija" was certified, but the Reform Agenda requires one certified Serbian TSO to operate the whole gas transmission system in Serbia. In Serbia, however, three operators are active, two of which – "Gastrans" and "Yugorozgas-Transport" - remain uncertified. Third-party market participants still do not have effective access to infrastructure at key interconnection points.
- **Just transition.** The Just Transition Plan has been adopted and an inter-ministerial body established, but no dedicated fund or predictable financing mechanism has been put in place. Civil society was included in the working group through a public call; however, by the end of March 2026, working group members had not been invited to a single meeting. The process of preparing the Plan was affected by serious shortcomings: the working group did not meet between 2022 and November 2024, while the deadline for submitting comments on the diagnostic analysis was initially set at three days and subsequently extended to seven days.
- **Single contact point for renewable energy sources.** A single contact point has been established within the Ministry of Mining and Energy, but it functions only as an information service for strategic projects, rather than as a procedural point of access for the entire permitting process, as required under the Renewable Energy Directive (**RED II**).
- **Energy Performance of Buildings Directive (EPBD).** The key implementing act - the rulebook on minimum energy performance standards - has not been finalised. The existing framework for energy performance certificates is based on regulations adopted in 2011–2012, which do not meet the standards of the revised EPBD.

Reform step achieved:

- **Approval of monitoring plans for greenhouse gas emissions.** The eGHG digital platform is operational, 97 permits have been issued, and five accredited verification bodies are in place.

Digital transformation: one of seven reform steps achieved, with one additional step previously approved by the European Commission

Digital transformation is characterised by a systemic pattern: draft laws at an advanced stage of preparation fail to reach the National Assembly before the applicable deadline expires.

Reform steps not achieved:

- **Broadband Infrastructure Law (Gigabit Infrastructure Act).** A draft Law on Broadband Infrastructure was prepared and a public consultation conducted, but the Government neither adopted it nor submitted it to the National Assembly by 31 December 2025. The working group was established without a public call.

- **eIDAS 2.0 / Digital identity.** The draft law was made publicly available for the first time only on 26 December 2025, after the deadline had already expired. The public consultation was conducted over the New Year and Christmas holiday period. Of the 55 proposals submitted during the public hearing, only three were accepted.
- **Serbia's inclusion on the EU Third Countries Trusted List for the validation of electronic signatures.** The competent authority has not published any information on progress in this area. The only available source of data was a response to a request for access to public information. Serbia has not been included on the list.
- **Law on Information Security (NIS2).** The adoption of the Law does not, in itself, amount to achievement of the reform step, which requires full alignment with the NIS2 Directive. The Ministry's own table of concordance identifies outstanding gaps in implementing legislation and the sanctions regime.
- **The list of entities in scope of the national law corresponding to the NIS2 Directive, coordinated vulnerability disclosure (CVD) and crisis management framework.** All three deliverables depend on implementing legislation that has not been adopted.
- **Legal framework for Artificial Intelligence (AI).** No draft Artificial Intelligence Law has been prepared. Although a working group was initially established in August 2024, its work was suspended following the formation of the new Government in April 2025 and resumed only informally in January 2026. The process also lacked transparency: the working group was not established through a public call, and no information on the process was published on the eKonsultacije portal.

Reform step achieved:

- **Establishment of the Information Security Office.** The reform step was achieved through the establishment of the Information Security Office as a 20-member department within the Office for IT and eGovernment, alongside the accreditation of the National CERT team on the international Trusted Introducer platform. This achievement is qualified, however, by the fact that recruitment was conducted without an open competition.

Fundamentals - Rule of Law: one out of thirteen reform steps achieved, with one additional step previously approved by the European Commission

This is the policy area with the poorest overall achievement. More importantly, the findings point not merely to a lack of progress, but to active backsliding in key areas of democratic governance and the rule of law.

Elections (two reform steps - neither achieved and both subject to a grace period):

- **Working Group on Co-ordination and Follow-up of the Implementation of Recommendations for the Improvement of the Electoral Process.** The Working Group effectively ceased to function in February 2025, after the ruling majority submitted its own draft legislation outside the agreed working group process. This undermined the inclusive framework for electoral reform and prompted eight of the eighteen members to withdraw.
- **Audit of the Unified Voter Register.** Although the audit process was initiated, it has not been completed and its results have not been validated by the Office for Democratic

Institutions and Human Rights (ODIHR). Opposition members of the Audit Commission have also reported that their access to the relevant data was obstructed.

- **Council of the Regulatory Authority for Electronic Media (REM Council).** Two consecutive procedures for appointing members of the REM Council failed to produce a fully functioning body. The first procedure ended after candidates withdrew, while the second resulted in the appointment of eight of the nine required members. Four of those appointed resigned immediately thereafter. As a result, the REM Council has still not been fully constituted.
- **Key electoral legislation.** None of the laws included on the indicative list was adopted through the Working Group process. Draft legislation does exist, but it was prepared by the expert service of the National Assembly, which has no statutory mandate to draft such legislation.
- **Secretariat of the Republic Electoral Commission.** The Reform Agenda requires the Secretariat to be established by the decision of the National Assembly. Instead, a Sector for Support to the REC was created within the National Assembly Service. Unlike a Secretariat established by parliamentary decision, this unit may be abolished through a unilateral amendment to the relevant internal rulebook by the Secretary General, leaving it without the required institutional safeguards.

Fundamentals - Fundamental Rights and Media: four reform steps, none achieved

- **Criminal Code, Criminal Procedure Code and related legislation.** The relevant working groups have not met since June 2022, yet draft legislation was published on the eKonsultacije portal in 2024 and 2025. Several working group members have publicly stated that the published drafts differ from the versions agreed within the working groups. The draft criminal legislation includes provisions, such as the expanded criminalisation of speech, new investigative mechanisms and measures applicable in the context of protests, which civil society organisations have warned could undermine freedom of expression and freedom of assembly.
- **Media laws.** The laws were adopted six months after the applicable deadline, and two of the three were adopted without public consultation. The adopted legislation fails to ensure the effective functional independence of the Regulatory Authority for Electronic Media (REM), does not address covert political advertising, and maintains the concentration of powers in the hands of the Director-General of the public service broadcaster.
- **Co-financing of media content.** Although the Single Information System is operational, 31 public calls were published after the statutory deadline. In addition, decisions on the allocation of funding frequently lack any statement of reasons, undermining the transparency and accountability of the co-financing process.

Fundamentals - Organised Crime: one out of four reform steps achieved

- **Law on Internal Affairs.** This is the third legislative drafting cycle since 2021. The working group is composed exclusively of representatives of the Ministry of the Interior's internal organisational units and police trade unions; civil society has not been included. The working draft of August 2025 does not ensure effective operational autonomy of the police and fails to implement the recommendations of the European Committee for the Prevention of Torture (CPT). The draft has not been made public.

- **Law on Combating and Preventing Trafficking in Human Beings, Criminal Code and Law on Weapons and Ammunition.** None of the three cumulative deliverables has been adopted, ten months after the applicable deadline. As regards the Law on Weapons and Ammunition, no drafting-related activity has been recorded since 2022.
- **Operational Plan for Financial Investigations.** The Operational Plan has not been adopted. Although a draft has been available on the eKonsultacije portal since October 2025, the report on the consultation process has not been published.
- **Small Arms and Light Weapons (SALW) Control Strategy - *achieved*.** The Small Arms and Light Weapons Control Programme for the period 2025–2030 was adopted in December 2025. This is the only reform step assessed as achieved in the Fundamentals cluster.

Fundamentals - Counterterrorism: one reform step, not achieved

- **Strategic framework for counterterrorism and the prevention of violent extremism.** The strategic framework has not been adopted. Written public consultations were open for only eight days, during the period between Orthodox Easter and Labour Day. The formal public consultation lasted 19 days, falling short of the statutory minimum of 20 days.

Fundamentals - Anti-corruption: two reform steps, neither achieved

- **National Anti-Corruption Strategy.** The Strategy was adopted by the Government rather than by the National Assembly and therefore binds only the executive branch. Its Action Plan was divided into two implementation periods, of which only the first has been adopted. Since the adoption of the Strategy, Serbia's Corruption Perceptions Index (CPI) score has declined from 35 to 33.
- **Filling vacant positions in the judiciary and prosecution service.** The Prosecutor's Office for Organised Crime has only 10 permanently assigned prosecutors against 25 systematised positions. Following the adoption of the so-called "Mrdić laws" in January 2026, the number of prosecutors temporarily assigned to the Prosecutor's Office for Organised Crime decreased from 11 to 6.

Fundamentals – Judiciary: one step, not achieved

- **Increasing the number of judges and prosecutors.** The target of increasing the number of judges and prosecutors by 10% has not been met. Serbia now has fewer judges than at the outset of reform implementation: 2,658, compared with the baseline of 2,718. Decision-making in both the High Judicial Council and the High Prosecutorial Council has been systematically obstructed. In the High Prosecutorial Council, eight of the eleven sessions scheduled during the reporting period could not be held due to the absence of a quorum

How much funding is at stake?

- **Total allocation for Serbia:** EUR 1.586 billion.
- **Disbursed to date:** EUR 61.1 million gross (EUR 56.5 million net). In January 2026, the Commission approved only three out of the seven payment conditions assessed.
- **Investment component (WBIF):** 53.5% of the total allocation is earmarked for infrastructure investment. However, only approximately 7% of the estimated feasible investment volume has been initiated to date.

- **Deadline for retaining access to funds:** All amounts linked to payment conditions that remain unfulfilled are subject to decommitment, i.e. the cancellation of reserved funds, by 31 December 2028.

With 28 reform steps not achieved and entering grace periods, and no publicly available corrective action plans, there is a tangible risk that Serbia may lose a significant share of the funding available to it.

Implementation of reforms: closed and insufficiently transparent processes

A consistent pattern emerges across all policy areas: reforms have largely been pursued through closed processes, with limited transparency and inadequate opportunities for meaningful public participation.

- **Supporting documentation.** For a significant number of reform steps, key supporting documents, including regulatory impact assessments and consultation reports, have not been published.
- **Public consultations.** In a substantial number of cases, consultation periods were shortened or scheduled during public holidays and non-working days, limiting the scope for meaningful participation.
- **Participation of civil society in legislative drafting.** Among the reform steps requiring the adoption of new legislation, working groups were established through public calls for civil society participation in only two cases. In both, civil society proposals were largely disregarded.
- **Expansion of exemptions from public hearing.** Article 41a of the Government Rules of Procedure expanded the grounds for dispensing with public hearing, rather than narrowing them as required by the Reform Agenda.

Taken together, these findings indicate that procedural compliance has often been prioritised over genuine openness, participation and accountability in the reform process.