



**PROGRAMME OF THE GOVERNMENT OF THE REPUBLIC  
OF SERBIA**

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## INTRODUCTION

Esteemed Members of the Parliament, esteemed citizens of the Republic of Serbia,

Today I have a great honour to present the proposal of the Programme of the Government of the Republic of Serbia for the next term of office, and I ask for your support so that we can continue to lead Serbia successfully in the years ahead.

When we presented the Government Programme two years ago, in October 2020, in the year when both Europe and the world were hit by the biggest pandemic of a virus since the Spanish flu pandemic in 1918, few of us thought that difficult and challenging times were yet to come. Everyone in the world expected that, after our successful fight against the COVID-19 virus and overcoming all the problems it brought, the time of economic recovery, progress, stability and cooperation would come. The pandemic exhausted even the economically strongest countries in the world, but we were able to draw important lessons from the pandemic, the most important one being that the world should turn to multilateralism and cooperation, to sharing knowledge and resources, so that humanity in the years and decades ahead of us would be as safe as possible.

Unfortunately, everything happened contrary to expectations.

Once the vaccines were invented, through yet another victory of human knowledge, expertise and science over disease, the pandemic, although continuing, was brought under control, and we learned to deal with it, as well as with the consequences of the coronavirus.

Serbia showed that it could deal with the health challenges of the pandemic, as we promised in my presentation of the Government's programme back in October 2020. As an absolute priority of the Government we then defined the citizens' health and fighting against the COVID-19 virus. Since then, we have built, fully equipped and opened three new hospitals: in Belgrade, Kruševac and Novi Sad, with a total of 2,047 beds, and thanks to that, we have saved thousands of lives and enabled citizens suffering from other diseases to be treated during the COVID-19 pandemic, since, after the opening of these new hospitals, not all of the healthcare institutions had to switch to the COVID treating regimen. We were the first in continental Europe, and the second in Europe after the United Kingdom, to acquire the vaccines against COVID-19 and we started vaccination on 24 December 2020. We procured as many as five different vaccines: Pfizer, Sputnik, Sinofarm, AstraZeneca and Moderna. Thanks to the earlier work on introducing electronic government, we created one of the most efficient systems in the world for expressing interest in vaccination, choosing a vaccine, and scheduling an appointment, in order to make the difficult situation as easy as possible for the citizens. Thanks to that, Serbia, after many years of negative publicity in the global media, was in the headlines, but this time in the most positive light, even in the media such as the CNN, BBC, Reuters, AP, but also in other media around the world. Serbia is a country where people from abroad flocked to get vaccinated, but also a country that came to the aid of other countries in the region, as well as to partners from the European Union (EU), Africa and Asia, by donating vaccines, tests, but also food, during the previous two years.

At the same time, and without a pause despite the pandemic, we carried on with the work on strengthening our healthcare system, through investing in infrastructure, raising the salaries of healthcare workers, and accelerated healthcare digitalisation. Over the previous two years we completed and opened the renovated Clinical Centre of Serbia. We have started work on the reconstruction and construction of the Clinical Centre of Vojvodina, which should be completed during the term of office of this Government. We continued work on the preparation of technical documentation and tender for the reconstruction and construction of the Clinical Centre in Kragujevac, together with the partners from the European Investment Bank (EIB). Starting this project remains one of the priorities. We have completed and opened the new facility of the Institute for Cardiovascular Diseases Dedinje (Dedinje 2), as the most modern institute for cardiovascular diseases in the region. We have started the construction of the new University Children's Clinic, Tiršova 2. We have continued the reconstruction and construction of primary and secondary healthcare care institutions throughout Serbia, from Prokuplje to Kikinda. During the pandemic, we increased the salaries of healthcare workers three times: in April 2020 by 10%, in January 2021 by 5%, and in January 2022 by 8%, and, additionally, in December 2020, we also gave healthcare workers a one-time financial incentive in the amount of RSD 10,000.

In October 2020 we also promised that, regardless of the challenges, we would continue to fight for a better standard of living for all citizens of Serbia.

Through three economic packages to support the economy and the citizens we invested close to EUR 9 billion in order to preserve jobs, productivity and competitiveness of companies in Serbia, above all the micro, small and medium-sized enterprises. And in this case as well we showed strength and resilience: Serbia was one of the very few countries in the world that recorded an increase in employment during the pandemic, as well as a continuous increase in salaries and pensions. According to World Bank data, Serbia is one of only 10 countries in the world that had a drop in unemployment in 2020. Today, unemployment in Serbia is at its historically lowest level of 8.9%, average salaries are over EUR 600 (EUR 635 in December 2021) and we expect them to exceed EUR 700 by the end of this year.

Since the outbreak of the coronavirus pandemic, we paid out one-time assistance of EUR 500 to pensioners, and EUR 200 to all adult citizens, as well as to young people under 30 years of age. To our people in Kosovo and Metohija, as financial support, we paid out EUR 100 for the employed and EUR 200 for the unemployed. In addition to the fact that this money returned to our economy through consumption, which generated additional growth, this measure had a positive psychological effect and served to make our people believe in their country and its economy, and know that we would manage to fight the pandemic.

We continued to attract investors. We managed to reach a record level of foreign direct investments of EUR 3.7 billion in 2021. This year, according to the indicators to date, we expect even higher investment levels. Since October 2020, there have been 66 ceremonies marking production starting or groundbreaking for factories and business facilities of the investors. The total value of those investments alone amounts to EUR 2.4 billion and will provide over 26,000 new jobs. Among the most significant investments are certainly TOYO TIRES and NIDEC, as well as the opening of factories and research and business centres of the German companies Continental, ZF and BROSE, and the NCR from the US. In particular, in the previous two years, there was a noticeable growth in investments providing greater added value, research and development centres, more sophisticated businesses and production, which means better quality jobs and better paid jobs for the workers.

This, as well as major road and rail infrastructure construction projects, enabled us to have, cumulatively, one of the best economic growth rates in Europe, that is, to be second to Ireland only, in the two crisis pandemic years. Our GDP fell by only 0.9% in 2020, and our growth in 2021 was 7.5%.

During the previous government's term of office we started constructing a large number of motorways and high-speed roads. At the moment, we have 12 ongoing projects, the total of 500 km in length. We have made significant progress on the Ruma–Šabac–Loznica road, and the bridge over the Sava on Kuzmin–Sremska Rača motorway is being completed. We have started work on the Fruška Gora Corridor, Niš–Merdare motorway, as well as work on the construction of the road Požarevac–Veliko Gradište–Golubac. We have completed another section of the Miloš Veliki motorway, from Preljina to Pakovraće, thus creating a bypass around Čačak. As for the Belgrade bypass, the section from Ostružnica to the exit from Straževica tunnel has been completed.

One of the greatest achievements of the previous Government and a historic step forward is that we opened the first high-speed railway in Serbia. Today, it takes a little more than 30 minutes to travel by train from Belgrade to Novi Sad, at a speed of up to 200 km/h. We immediately continued the construction of a high-speed railway from Novi Sad to the border with Hungary, which is to be completed during the term of office of this Government. In the previous two years, regardless of all the challenges we faced, we started and finished the reconstruction and modernisation of the railway lines Subotica–Horgoš, we started on Niš–Brestovac, and will soon start Niš–Dimitrovgrad as well. During the term of office of this government, we will also start work on the construction of a high-speed railway from Belgrade to Niš for speeds of up to 200 km/h, the preparation of which is in progress.

Thanks to the growth we had, Serbia's GDP exceeded EUR 50 billion for the first time in history (EUR 53.3 billion in 2021), and this year we expect it to exceed EUR 60 billion.

Our information and communication technologies (ICT) sector contributed greatly to these results, becoming the generator of half of the new jobs in 2021, the strongest net export sector and one of the best references of progressive Serbia. Our work since 2016, through the Ministerial Council for Information Technologies and Innovative Entrepreneurship, and the fact that we have defined digitalisation as the main priority of the Serbian Government in 2017, produced incredible results. Last year, 2021, saw a record number of startups, investments and acquisitions in our startup ecosystem. In 2021 the exports of our ICT sector, that is, the export of our ideas, solutions, or, in other words, of the fruit of our minds, reached close to EUR 2 billion (EUR 1.86 billion), and this year we expect exports to exceed EUR 2.6 billion, with a surplus of over EUR 1.5 billion, thus allowing us to fully achieve the five-year goal we had set. According to the Eurostat estimate, the growth in the number of employees in the ICT sector in Serbia since 2016 is 51.2%, which is one of the highest growth rates in Europe.

In the past two years we made the biggest strides in the past 20 years when it comes to reforms in the rule of law. In a transparent and inclusive manner, with the participation of professional organisations and civil society organisations, representatives of law schools and the legal profession, as well as with constant consultations with the Venice Commission, we drew up constitutional amendments in the field of justice, and in January of this year we also held a referendum where the citizens confirmed that they want the Constitution of the Republic of

Serbia to be changed in a way that will depoliticise the judiciary and ensure an independent judiciary and autonomous work of prosecution offices. This will remain one of the most important achievements of the previous Government and the results of the Serbian Progressive Party (SNS) and our coalition. This will prevent a repeat of the shameful 2009 “reform” of the judiciary in Serbia, when 837 judges lost their jobs overnight, although the Constitution guaranteed them the permanency of their office. This cost the citizens of Serbia more than EUR 44 million only for the damages, from which the judiciary in Serbia failed to fully recover even in the following 10 years. The depoliticisation of the judiciary will also ensure that in the Republic of Serbia everyone is equal before the courts and that nobody is protected. Along with a number of other measures we are implementing, it will also enable a more efficient judiciary, and it will allow the citizens to exercise their rights before the courts faster and more easily. This is the first time in the history of Serbia that changes to the highest and most important legal act of our country, the Constitution, were implemented within the framework of broad public consultations, completely transparently, in cooperation with, and with the positive opinion of the most relevant international organisations. Therefore, the previous Government and the coalition in the National Assembly gathered around the Serbian Progressive Party, set high standards for any future changes to the most important legal act of this country, which in itself ensures a greater degree of rule of law in the Republic of Serbia in the future.

In addition to the amendments to the Constitution, which, along with the healthcare system and the fight for a better standard of living of the citizens of Serbia, marked the term of office of the previous Government, a lot more was done in the area of the rule of law, such as implementation of the Council of Europe’s recommendations for the fight against corruption (GRECO) and praise for Serbia in that area; implementation of the recommendations of the OSCE Office for Democratic Institutions and Human Rights (ODHIR), bringing Serbia now to the very top of the ODHIR list according to the degree of implementation of recommendations; the opening of the new Palace of Justice in Kragujevac, and the adoption of a large set of strategies important for the improvement of the so-called “fundamental rights” of the citizens of Serbia. There is still a lot of work ahead of us when it comes to reforms, both in the field of justice and also certainly in strengthening the media freedom, improving the media scene and adopting the media laws, which will certainly be the future Government’s priorities and it is the reason this will be covered by a separate Ministry.

We also promised, as one of the priorities, an uncompromising and relentless fight against the mafia. On 4 February 2021, Veljko Belivuk, his closest associate Marko Miljković, and 14 other members of his criminal group were arrested in a major operation of the Ministry of the Interior (MoI) and the Security Information Agency (BIA), and in a coordinated action with the Prosecutor’s Office for Organised Crime. The organised criminal group Belivuk–Miljković was prosecuted before the Prosecutor’s Office for Organised Crime (TOK) in Belgrade for committed crimes of conspiracy to commit a criminal offence, aggravated murder, kidnapping, illegal production and trafficking of narcotic drugs, illegal production, possession, carrying and trafficking of weapons and explosive substances, and rape. And this is one of the most important achievements of the Government in the previous term of office.

We continued the fight against the mafia and the investigation into the coup attempt. We proved that the President of the Republic of Serbia, Aleksandar Vučić, was wiretapped at least 1,882 times, as well as the members of his family. This investigation is ongoing, and no one will be protected against it. This was not only an attempted coup, but a direct threat to the safety and life of President Vučić and his family members.

The citizens of Serbia are safer today thanks to the work of our police, security services, and the relentless fight against organised crime. Today there are no mafia killings and shoot-outs on our streets: during 2021 and 2022 there were no mafia killings, and generally speaking, during 2020, 2021 and 2022, we had a decrease in the number of murders compared to the previous eight years. However, this work is not finished and we will continue to invest our efforts in order to make Serbia one of the safest countries on European soil.

We have launched and completed many other things in the previous two years: in the field of environmental protection (through the cleaning of illegal landfills, the construction of sewage networks and wastewater treatment plants, afforestation, desulphurisation at our thermal power plants, etc.), population policy (never higher benefits for newborn children, financial support to mothers and families with children), culture (the concept design for the new Concert Hall in Belgrade presented, complete reconstruction and development of the archaeological site Belo Brdo in Vinča, huge investments in our TV and film production, establishment of the National Capital of Culture programme, support for Novi Sad which became the most successful European capital of culture, etc.), innovations (largest ever funding through the Innovation Fund and the Science Fund), agriculture (largest ever budget for subsidies to agricultural producers, investment in irrigation systems, automated hail protection, support for organic production, etc.), military strengthening of the country, rural development and balanced regional development (through support for cooperatives and granting rural houses with grounds to young married couples), and also in the field of sports, as well as in other vital aspects of life and work in Serbia. Activities in all those fields need to carry on so that Serbia continues to strengthen and be victorious, and so that the quality of life in Serbia continues to improve and grow in every sense, despite all the problems, challenges and adversities that our country faces.

However, it is certain that the next Government will face challenges much greater and more demanding than anything we could have imagined two years ago. As I emphasised at the beginning, everyone in the world thought that after the coronavirus pandemic better days were coming, that those would be the times of stability, peace and prosperity.

Instead, something happened that was hard to imagine after the Second World War: a war on the European continent. Since 24 February 2022, when war in the Ukraine began, everything in the world, and especially on European soil, has changed. Almost the only foreign policy topic is Ukraine and the relationship with the Russian Federation, i.e. the sanctions imposed by the EU on Russia. The economic topics to be discussed have boiled down to only two exclusively: energy and inflation. The world has been slowly, since that 24<sup>th</sup> day of February 2022, sinking into the Third World War, with more and more frequent and more serious rattling of nuclear weapons and with fewer and fewer chances for peace to be made within a short period of time. In the political sense, it seems more and more that emotions have overcome reason, and that the biggest problem in the future will be trying to obtain energy and food. In such a world, Serbia needs to position itself, maintain its stability, and continue its growth and development in the coming years. That, in the simplest terms, is the primary task of the future Government.

How difficult that task will be and how hard we will all have to work on it together, in the team with the President of the Republic of Serbia Aleksandar Vučić, and with the understanding and support of the National Assembly of the Republic of Serbia, and for the benefit of all our citizens and our entire nation, is perhaps best explained by the words of one of the most prominent European leaders, French President Emmanuel Macron, who said in late August this year that

“the moment we are living ... may seem to be structured by a series of crises, each more serious than the other”, and warned that the end is coming to “abundance and carelessness”.

Therefore, it will not surprise anyone that our absolute priority in the term of office of this Government will be energy, that is, as the President of the Republic of Serbia, Aleksandar Vučić, himself once emphasised, Serbia’s new energy policy. In the same way that we focused on the healthcare system during the term of office of the previous government, when facing the danger that the coronavirus pandemic represented for our people and our country, we will now have to deal with energy issues. We will have to bring all our knowledge and energy into this, not to be afraid to try new things, to change established ways of thinking and policies, to adopt innovations, to rely on our own capacities, to show that even now, and in this area, we can repeat what we did in healthcare.

It is positive that when it comes to energy, after decades of stagnation, we have already started to change things, so that next year we can count on new energy capacities. We are finishing the construction of the new Block B3, thermal power plant Kostolac B, which will mean an additional 350 MW for our energy system. We are also finishing the construction of a gas interconnection to Bulgaria (the Niš–Dimitrovgrad gas pipeline section), which will provide us with an alternative gas flow route and connect us via Bulgaria to the terminals for liquefied natural gas in Greece. We are continuing with the construction of the Buk–Bijela hydroelectric power plant in Bosnia and Herzegovina, together with the Republic of Srpska power company, Elektroprivreda. This will mean an additional capacity of up to 115 MW for our power system. We will have to start the construction of the reversible hydropower plants Bistrica and Djerdap 3 in order to provide balancing for several thousand megawatts from renewable energy sources in the future. Most urgently, we need to complete the system for mixing coals of different quality, which is currently the task of the Electric Power Company of Serbia (EPS), and which will ensure additional security of our system’s operation, but also a lower level of pollution. Along with additional capacities for electricity production and diversification of gas sources, we will also have to work on the construction of oil pipelines, in order to diversify the source and supply routes for this energy source as well. In order to ensure the greatest possible energy sustainability, security and independence of the Republic of Serbia, we must not rely on only one source or only one partner, especially when those parties show that they are unreliable and uncertain, and that they use energy issues for political calculation and imposing a political agenda. In this regard, the Republic of Serbia will start the construction of an oil pipeline to Hungary as soon as possible, and this will be one of the priority projects of the future Government. All in all, we will invest about EUR 12 billion into the new energy policy of the Republic of Serbia in the coming years, within the framework of our development plan “Serbia 2025”.

The new energy policy of the Republic of Serbia certainly implies the continuation of the green transition and investment in the green agenda and environmental protection. Along with greater green energy capacities, we need to continue to invest in wastewater treatment plants, sanitary landfills, waste reduction and reuse. We should start looking at waste as an energy source in every sense, an energy source that affects our energy independence and autonomy. We should keep in mind that climate change will be more and more drastic and that its consequences will be harsher and harsher and we must prepare for that. This is a particularly sensitive issue for our agriculture, but also an issue that will influence the formation of Serbia’s new energy policy.

The question is how, under such difficult circumstances, we can continue capital investments in road and railway infrastructure, multiply investments in energy infrastructure, and maintain the trend of continuous growth of salaries and pensions so that the standard of living of our citizens will continue to rise, while at the same time undertake all of that in a fiscally responsible manner, keeping the public debt below 60% of our GDP and gradually reducing the budget deficit, which, like in other countries, increased during the coronavirus pandemic. The only answer to that is: by further increasing our competitiveness and increasing the productivity of our economy. It is only by increasing our competitiveness that we can ensure that the level of foreign direct investments is maintained and that, despite the crisis and uncertainty, investors continue to come to Serbia. In addition, only increasing our productivity can lead to our economy continuing to grow and create added value. There is room for additional growth in both areas. This growth, above all, can result from additional advancement of our educational system, from more investments in science and innovation, and from utilising modern technologies, such as artificial intelligence (AI), but also by further establishing Serbia as a country of expertise, knowledge and innovation. That is why implementing one of the most ambitious projects during the term of office of the future Government, the BIO4 campus, is so important to us. We have done a lot with digitalisation, but now we have to go further, and “further” means biotechnology, biomedicine, bioinformatics, and biodiversity.

What we need to do to increase our competitiveness and productivity is to strengthen dual education. We started developing the dual model of education in 2016, immediately after the visit of the then Prime Minister Aleksandar Vučić to Winterthur in Switzerland, when a decision was made to provide this model of education to young people studying in Serbia. The Law on Dual Education was adopted in 2017, and we started its implementation in the school year 2019/2020. The introduction of the dual education model in the Republic of Serbia, following the example of Germany, Switzerland and Austria, is undoubtedly one of the most significant reforms in our country in the last several decades. Aleksandar Vučić understood that Serbia's development opportunity lay in the introduction of dual education, and today we see the result. At present there are close to 3,500 students who completed the dual education system, and currently more than 10,000 students in 150 secondary vocational schools attend dual education programmes with over 700 companies that are involved in this educational model. Thanks to the fact that during the term of office of the previous Government we had completed and put into operation the Unified Information System of Education (JISP), today we can see accurately the effects of our education. Now we can confidently claim that the students studying in the dual model get employed in a higher percentage, with higher starting salaries, and wait less for employment than students in the traditional model. Also, and perhaps even more importantly in the long run, there are significantly more entrepreneurs among the graduates of the dual model. When we look at the generation of students who completed secondary vocational education in 2020, we can see that among the students who attended school in the dual model, as many as 68.92% are already employed, while only 41.83% of those completing a traditional model school are employed. The average salary of dual model secondary school students is RSD 80,441, compared to RSD 65,361 average salary of their peers completing the traditional model secondary education. In 2019, the National Assembly also adopted the Law on Dual Education in Higher Education Institutions, whose implementation started in 2021. So far, 36 study programmes have been accredited for the dual model, to be implemented at 10 higher education institutions, and 574 students are currently studying in the dual model, in cooperation with 95 companies. Here, as well as in the constant innovations in our curriculum, lies the chance for our additional growth. We need to increase the coverage of the dual model of education, both in secondary schools and in higher education. We need to encourage more companies to get

involved in the dual model of education, but also to explain to students and their parents about the advantages of the dual model. We now have all the tools for it, primarily thanks to the JISP, which for the first time gives us an overview of our entire educational system and its results, and we have to take advantage of that.

In addition to expanding the dual model of education, we must continue to be one of the most advanced countries on the European continent in terms of quality and innovation in our curriculum. We achieved this in 2017, when we introduced computer programming in the best possible way as a compulsory subject from the 5<sup>th</sup> year of primary school, and we have continued to build on it every year. Just one year later, in 2018, we considerably increased the number of IT classes in secondary schools, then introduced the subject Digital World from the first year of primary school so that students from the earliest age can have the opportunity to develop an algorithmic way of thinking and learn how to safely and functionally use information technologies. Since 2021, the fundamental elements of understanding artificial intelligence are covered in a number of subjects taught in primary and secondary schools. Today we are one of only 11 countries in the world that managed to do this. We founded the Institute for Artificial Intelligence, and in collaboration with our universities and faculties, we introduced multidisciplinary master's studies, enabling our students to acquire much better knowledge and skills in the innovative economy, such as in the gaming industry. We must continue all these things, and in cooperation with professional and relevant civil society organisations, such as the Petlja Foundation, additionally and continuously improve. We continue to invest also in the quality of connecting schools to the Internet and equipping them with computers, and this school year we are going to finish the initial cycle of connecting and providing equipment which began in 2017. One of the best applications of the use of digital technologies in schools is the use of digital textbooks, which makes school-related content closer and more interesting to children. This school year we will have digital textbooks in all the years of primary schools and secondary grammar schools, in all schools in Serbia.

We need to invest more in science, because investing in science means innovation and better competitiveness. In 2019, we established the Science Fund, we started hiring young scientists and doctoral students, and today we see the results. However, it is clear that we need to find a way to encourage the economy to do more in this sense, to change and to invest in science, research and development. This will increase both the competitiveness and productivity of our economy. Given that our unemployment rate is currently 8.9%, the only two ways to generate additional growth are employing foreigners or increasing productivity through innovation and technology. What is crucial for this is science, the link between science and economy, and the use of artificial intelligence in production processes. That is why the role of science, innovations and technological development for our country, our citizens and our economy will mean more during the term of office of this Government than ever before. We are finishing the construction of a single eScience information system, which in the coming year will enable a greater visibility and competitiveness of our science, and will also serve the economy to connect with state-owned scientific institutes. This is to be the lever that will push forward our growth in challenging times. During the next year, we will complete the construction of the BioSense Institute, as a European Centre of Excellence in digital agriculture; we will also complete the Centre of Excellence in Kragujevac and start the implementation of the third phase of the State Data Centre in Kragujevac, aiming to expand and transform it into the Innovation District. We will start building the Industrial and Technological Park in Kruševac, an additional building for the School of Electrical Engineering, University of Belgrade, in Belgrade, and we are going to expand the existing scientific and technological parks in Belgrade, Čačak and Niš. We are

starting the reconstruction and construction of the Ložionica facilities in Belgrade, as part of the project to establish a creative multifunctional centre. When we opened the Centre for Genome Sequencing at the Institute of Molecular Genetics and Genetic Engineering and finalised the Conceptual Design, we took the first concrete steps towards the establishment and construction of the BIO4 campus. This remains one of our most important tasks for further growth and development and creating additional value, since biotechnology is becoming a kind of Fifth Industrial Revolution, and Serbia must show that it understands the times we live in and the changes that are happening.

This will also greatly help us to further improve our healthcare system during the term of office of the new Government. In the future, all advanced countries, and those most responsible towards their citizens, will move towards the development of personalised medicine. We need to start working on it today to be fully prepared. We will continue with the complete digitalisation of the healthcare system in order to make it better quality, more efficient, more focused on the beneficiaries, and to free healthcare workers from unnecessary red tape, so that they can focus on patients and the quality of their health care.

The Government must continue to work on the implementation of the Serbia 2025 programme. Our plan is to complete five motorways and high-speed roads in the next year, including the section of the Morava Corridor to Kruševac, the Surčin–New Belgrade section on the Miloš Veliki motorway, the bypass around Belgrade to Bubanj Potok, the Valjevo–Lajkovac high-speed road, and the motorway from Ruma to Šabac. In the period of the greatest crisis caused by the coronavirus epidemic, through hard work and continuous coordination of the activities, we managed to overcome the obstacles so that no project would stop or significantly slow down, which is a kind of success in itself. We have to find a way to maintain the pace during the term of this Government as well.

All of the above is a way to reach the set goal: that by 2026, the average salary in Serbia will be EUR 1,000, and the average pension will be EUR 500.

In order to achieve this, it is a prerequisite that we do everything to preserve peace and stability in these areas. That is why, regardless of all the problems and many disagreements about important issues, we will continue to work on the European integration of Serbia. Serbia will continue on its path to the EU, because Serbia belongs to the family of European nations and countries. Over 65% of foreign investments into the Republic of Serbia are investments from the EU member states. If you look only at German companies doing business in the Republic of Serbia, they currently employ about 78,000 people. Over 70% of our exports go to the EU member states. With the support of the EU, we are building many infrastructure projects and realising public investments in schools, hospitals, gerontological centres, and the like. Our citizens also benefit from favourable loans granted by European financial institutions, such as the EBRD, the EIB and the CEB, that we use to finance the construction of a whole range of projects, from science and technology parks to sanitary landfills. It is only as a part of the wider European family that our entire region can be stable long-term, better connected, and prosperous. The European Union can certainly be criticised for many things, but it is the most successful peace project of all mankind and, strategically, our final destination lies within the Union.

During the term of the previous government, we accepted a new methodology for negotiations with the EU and adapted our internal structures to that methodology. In the previous two years, the EU confirmed that Serbia opened Cluster 1 (Fundamentals), and in 2021 we also opened

Cluster 4 (Green Agenda and Sustainable Connectivity). Serbia is ready to open Cluster 3 (Competitiveness and Inclusive Growth), and in its last two Progress Reports, the European Commission called on the member states to open this Cluster 3 in negotiations with Serbia. How successful our negotiations with the EU will be in the coming period certainly depends on a whole set of factors, but, unfortunately, it seems to depend least on the speed and quality of our reforms. We have heard for a long time that the most important thing for our integration is to make significant progress in the area of the rule of law. Today we clearly understand the messages from the EU that further progress depends on two issues. One is whether we are already now going to harmonise with the Common Foreign and Security Policy of the EU, that is, whether we will introduce sanctions against the Russian Federation. The other one is how quickly and in what way it is possible to reach a final agreement on normalisation with Priština, which is in itself quite cynical because even today, almost 10 years after signing the Brussels Agreement, the implementation of which is guaranteed by the EU, Priština has not implemented what is at the very core of that agreement, i.e. the Community of Serb-majority Municipalities. In any case, it is in the interest of our country and our people that we continue with reforms on the European path, first of all because these reforms are good for us, because they strengthen our economy and businesses, because they make our public administration more efficient and transparent, and because the rule of law is important to us. We are building a European Serbia, and membership itself certainly does not depend only on us.

In addition, Serbia will also continue to invest in its friendships and partnerships with other countries. That is why it was so important to us that during the term of the previous Government, in October 2021, we organised a Commemorative Meeting on the occasion of the 60<sup>th</sup> anniversary of the first conference of the Non-Aligned Movement, where 120 delegations participated.

Serbia's international reputation is best reflected in the number of visits by foreign officials to our country over the past two years, the number of talks held by the President of the Republic of Serbia Aleksandar Vučić, the number of bilateral meetings and participation in multilateral forums in the world. Among the most significant bilateral visits to Serbia since October 2020 are the farewell visit of Chancellor Angela Merkel (September 2021) and the visit of Chancellor of the Federal Republic of Germany, Olaf Scholz (June 2022), as well as the visit of the Minister of Foreign Affairs of Germany, Annalena Baerbock (March 2022). We had a great visit from the President of the European Commission, Ursula von der Leyen, on 29–30 September 2021, when the commencement of works on the modernisation and rehabilitation of the Niš–Brestovac railway line was also marked officially, and when the Agreement for the first section of the Peace Motorway from Niš to Merdare was signed.

We maintained an intense tempo of contacts with the Republic of France: in the previous two years, President Vučić met regularly with President Macron, and I had the opportunity to meet with the Prime Minister of France during my visit to Paris in February of this year.

Historically and politically, the visit of the President of the Arab Republic of Egypt, Abdel Fattah Al-Sisi to Belgrade (July 2022), was of great importance to us, as an incredibly important signal for further strengthening and cooperation between Serbia and Egypt on the political and economic levels.

It will be remembered that the visit of the Prime Minister of Spain, Pedro Sanchez, in July 2022, was the first ever visit of the Prime Minister of the Kingdom of Spain to the Republic of Serbia.

We also had the honour of hosting the President of Turkey, Recep Tayyip Erdoğan, in September 2022, as well as a great friend of Serbia, the Minister of Foreign Affairs of Turkey, Mevlüt Çavuşoğlu, who made several official visits to Serbia.

In the previous two years, President Vučić had three meetings (in Sochi, November 2021; in Moscow, June 2020; in Istanbul, January 2020) and several telephone conversations with the President of the Russian Federation, Vladimir Putin.

Extremely significant for further development of our strong friendship with the People's Republic of China was the visit of their Minister of Foreign Affairs, Wang Yi (October 2021), as well as the visit of the member of the Politburo of the Central Committee of the Communist Party of China and the director of the Office of the Central Commission for Foreign Affairs of the Central Committee of the Communist Party of China, Yang Jiechi (October 2020). The participation of President Vučić at the opening ceremony of the Winter Olympic Games in Beijing and the meeting with the President of the People's Republic of China, Xi Jinping, were of exceptional importance. This was the seventh meeting between the two presidents, and in the previous two years, President Vučić also participated in the 9<sup>th</sup> China-CEEC Summit at the invitation of President Xi Jinping on February 9, 2021, and had two telephone conversations with the President of the People's Republic of China.

We continued to build the best possible relations with partners from the U.S.A., whose open support for the Open Balkan Initiative we greatly appreciate, and with whom we are building increasingly successful economic cooperation. With our friends from the UAE, we signed the Agreement on Cooperation between the two governments. The visit of the President of the UAE, Sheikh Mohammed bin Zayed, in October this year was extremely significant for us, as a great sign of friendship in difficult times. We have created the foundations for further developing the best possible relations with Saudi Arabia, Bahrain, and other Gulf countries. We continued to develop relations with other partners, such as Japan, whose Prime Minister Fumio Kishida and I had an opportunity to meet a little less than a month ago.

We were hosts to the Federal Chancellor of Austria, Karl Nehammer (March 2022), as well as to the former Chancellor of Austria, Sebastian Kurz (September 2021), and Prince Albert II of Monaco (October 2020). We had even two visits by the President of the Republic of Slovenia, Borut Pahor (September 2022 and May 2022), a visit by the President of Hungary, Katalin Novák (September 2022), several visits by the Prime Minister of Hungary, Viktor Orbán, and held the 6<sup>th</sup> joint session of the Governments of Serbia and Hungary in September 2021 in Budapest. There were also visits by the former Prime Minister of Montenegro, Zdravko Krivokapić (November 2021), as well as Montenegrin Prime Minister Dritan Abazović (June 2022), a visit by the Prime Minister of Greece, Kyriakos Mitsotakis (February 2022), two official visits by the Minister of Foreign Affairs of Italy, Luigi Di Maio (June 2022 and June 2021), a visit by the Minister of Foreign Affairs of the Vatican, i.e. the Holy See, Gallagher (November 2021), the Minister of Foreign Affairs of Denmark, Jeppe Kofod (August 2021), the Minister of Foreign Affairs of Cyprus Christodoulides (April 2021), the Minister of Foreign Affairs of Latvia Rinkēvičs (January 2022), the former Prime Minister of the Czech Republic Babiš (February 2021), and many others.

In constant consultations and the closest possible cooperation with the President of the Republic, Aleksandar Vučić, the Government of Serbia has the obligation to preserve and defend our independence and autonomy in these challenging times, to lead an independent policy and

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**Mevlüt Çavuşoğlu** is a Turkish diplomat and politician who has served as Minister of Foreign Affairs of Turkey since 24 November 2015.

always keep our national interests in mind. We want to become a member of the EU and we will continue to work on that, but at the same time, we ask that everyone should show respect for our territorial integrity as an internationally recognised country, in the same way as the territorial integrity of other internationally recognised countries is defended today, and rightly so. We demand that the international law principles as well as the UN Charter be respected indiscriminately, and that all the UN Security Council resolutions be consistently respected and implemented. We remain a country that has a firm and unwavering position on these issues, which we will not change regardless of the pressures and regardless of how unpopular such principled positions are in the world of today.

It was against Serbia, for the first time after the Second World War on the European continent, that aggression was carried out against a sovereign state, a founder of the UN. At the very end of the 20<sup>th</sup> century, in 1999, a country that had not set foot on the territory of another country was bombed, without a decision of the UN Security Council. A brutal aggression was committed, which introduced the right of the strongest principle at the expense of international law. Then, in the first decade of this century, in 2008, the unilateral declaration of independence by Priština and the recognition of that independence by some countries, brutally violated Resolution 1244 of the UN Security Council. These events opened Pandora's box and created precedents that brought the world to the state it is in today.

That is why everyone trying to teach Serbia today how it should behave, what it should think and what it should believe in, should first ask themselves: "Did we, who participated in the bombing of the FRY in 1999, have the right to attack an internationally recognised state, without consultations and the decision of the UN Security Council?" And then: "In the case of Serbia, do we respect the basic principle of international public law, which is the inviolability of the territorial integrity of internationally recognised states?" And finally: "In the case of Serbia, did we respect the relevant UN Security Council Resolution, or did we simply ignore it?" In the answers to these questions, you may also find an understanding of Serbia's current position, which only asks that the principles of international law not be interpreted at will, and depending on the time, circumstances and opportunities, but absolutely and indiscriminately. And all the ministers in the Government of the Republic of Serbia must respect that, and defend this position of our country every step of the way and in every situation.

Our red lines are quite clear. What is sacred to us are the interests of the Republic of Serbia, Serbia's full independence and autonomy in deciding all the issues of internal and external politics, in accordance with its own national interests and principles of international law, and the preservation of the vital interests and security of our people in Kosovo and Metohija.

We will invest maximum efforts to preserve peace, and we will do our best to continue building an infrastructurally better connected, economically open, stable and prosperous region. That is why we will continue to work on the Open Balkan Initiative, in order to ensure and promote the four European freedoms in these areas: free movement of people, goods, services and capital. We hope that Montenegro and Bosnia and Herzegovina will soon join the initiative, and the initiative is certainly open to Priština as well, because it will ensure dialogue on the most important topics for the quality of life of all people in these areas, and therefore the safety of Serbs in Kosovo and Metohija, as well as a historic reconciliation of the Serbian and Albanian peoples.

We remain committed to the dialogue with Priština, but before any arrangements on further normalisation agreements, the First Normalisation Agreement, the Brussels Agreement, must be fully implemented. We expect the EU and Priština to ensure the establishment of the Community of Serb-majority Municipalities with all the powers granted in the Brussels Agreement without further delay, given that almost 10 years have passed since the signing of this Agreement. We will continue with all our might to support our people in Kosovo and Metohija and to invest in local road infrastructure, educational and healthcare infrastructure, financial stability, in support to pronatalist policy, housing, and in support to returnee families. We will continue to preserve the unity of the Serbian people in Kosovo and Metohija and provide full support to the Serbian Orthodox Church (SPC), and invest in the reconstruction, restoration and preservation of our religious and cultural heritage in Kosovo and Metohija, which are of inestimable value both for us and for the European and world cultural heritage. We will continue the fight for our territorial integrity. In the last two years, another 8 countries handed us an official note about the withdrawal of recognition of the unilaterally declared independence by Priština. If Priština, supported by its foreign partners, should insist on membership in international organisations while the dialogue with Belgrade continues, which is contrary to the existing agreements, we will come out with the names of these countries, to which I express my sincere thanks for listening and understanding our arguments.

The Government of the Republic of Serbia will continue to help and support our people in the countries of the region. Support will primarily be aimed at preserving our language and script, which is essential for preserving our national identity, but also at raising the standard of living of our people. We will nurture singular and special ties with the Republic of Srpska, respecting the Dayton Agreement of which we are a guarantor, and insisting on better relations with Bosnia and Herzegovina, which we are showing by building a motorway between Belgrade and Sarajevo.

We will work even harder to bring back our people from abroad. They are a great resource and significant human capital. During the term of office of the previous Government, we founded the organisation Point of Return, which is in daily contact with hundreds of our people from the diaspora who are thinking about returning to Serbia, starting a business in Serbia, or investing in their country. Many of them have already returned to Serbia in previous years, so at the end of 2021, compared to 2020, we recorded the return of 29,000 of our people to the country. We also have an excellent example of the Institute for Artificial Intelligence, where most experts working there today are returnees from abroad, and some of them worked and lived abroad for more than 20 years. During the term of the previous Government, we also introduced the Carta Serbica programme for our people holding citizenship of other countries, in order to enable them to return or come to Serbia for the first time, so that they can more easily acquire the right to live here, work here, and have other benefits.

All of these are things that are important for our further progress. In these difficult times, there is no thing that is unimportant and there is no day that we are entitled to lose in vain.

That is why I expect the ministers to do their very best, to devote themselves completely to their work, the work they should see as the greatest honour, calling, and duty towards their country and their people. I expect them to show, at every moment of every day, proper respect for all the citizens of the Republic of Serbia, in whose interest, and for whose interest exclusively we should work. I also expect everyone to work as one team and that there will be no “idle time” or a problem that belongs to nobody’s department. In the last 10 years Serbia has started to be

victorious and it is our obligation to give our best so that Serbia, regardless of the challenges, continues to be victorious.

## **1. SERBIA in 2025 and 2030**

### **1. 1. Macroeconomics**

The reforms started in 2014 made it possible for us to face the crises we are facing today, eight years later, and despite all the extraordinary expenditures incurred in order to ensure adequate support for our economy and our citizens in these difficult times of the coronavirus pandemic and energy crisis, we still have room to invest in capital projects.

In the previous two years (2020 and 2021), Serbia was among the European countries with the highest cumulative GDP growth, second only to Ireland. As outlined in the “Serbia in 2025” plan, we expect the growth of average salaries and pensions to continue. When we presented the Serbia 2025 plan, average pensions were EUR 223, and our plan was to increase them to EUR 440. With the planned raises of 1 November 2022 and 1 January 2023, 9% and 12.1% respectively, average pensions in 2023 will reach EUR 322, so we are well on our way to achieving the set goal by the end of 2025.

At the end of 2019, average salaries exceeded EUR 500 (EUR 509 in December 2019), and many did not believe that they could reach the planned EUR 900 by the end of 2025. At the end of 2021, average salaries in the Republic of Serbia exceeded EUR 600 (EUR 635 in December 2021), and now it is already certain that average salaries will reach EUR 700 at the end of this year, which means that, regardless of all the crises, by the end of 2025 we will reach the goal from the Serbia 2025 plan in the segment of average salaries in the Republic of Serbia as well. The minimum salary in the Republic of Serbia will be RSD 40,020 starting from 1 January 2023, which is twice as much as just ten years ago.

Despite the crisis and the increase in prices, Serbian citizens’ salaries continue to rise above inflation, and thus we have ensured an improvement in the quality of life even under such difficult conditions.

A large number of investments since 2014 contributed to a significant increase in the number of the employed, which continued to increase even during the pandemic. The number of registered employed persons has increased since 2014 by more than 450,000. In the previous two years, the number of the employed increased by almost 100,000, out of which every sixth new job was in the ICT sector, which shows the change in the labour market and the shift towards an economy based on innovation. According to the Eurostat data, Serbia had one of the largest rises in the number of employees in the ICT sector in Europe, with a growth of over 50% compared to 2016. Since 2016, when we started to transform our economy and base it on knowledge and innovations, in just six years we have tripled our export of IT services. This particular piece of data, as well as the fact that the exports of our ICT sector in 2022 will exceed EUR 2.6 billion, while only ten years ago it amounted to EUR 375 million, speaks volumes about the extent to which we have fulfilled the goals set by the Government in its 2017 programme, when we defined digitalisation and education as our main priorities.

Investments in infrastructure, education and an improved legal framework have contributed to Serbia attracting the largest number of investments in the region, but also to those investments being for businesses with increasing added value. In Serbia now, in addition to producing them

we also develop final industrial products, thus establishing our place as a leader in innovation in the region.

Through increased allocations for health and energy, assistance to the economy of almost EUR 9 billion during the coronavirus pandemic, and continuous increases of salaries and pensions, we managed to maintain the macroeconomic stability and keep the public debt below 60%. In the past few years, public debt has risen significantly in most European countries, while it has remained stable in Serbia. This allowed us to continue with the most significant capital investments that will contribute to an even faster economic growth in Serbia and an even greater growth in the citizens' standard of living.

## **1. 2. Transport infrastructure**

Investment in capital infrastructure was in focus during the past three terms of the Government of the Republic of Serbia. Since 2012, about 350 km of motorways have been built and put to use, which means that in less than a decade we built about 60% of the total motorway network built in Serbia before 2012.

In the same period, in the last 10 years, since 2012, 920 km of main and regional railways were reconstructed and built, while, for example, from 2007 to 2012, only 22.5 km were reconstructed, which represents an average of 4.5 km per year, while in the period after 2012 it was more than 90 km per year, i.e. more than 20 times more. Among the greatest successes in the term of the previous Government one stands out: the fact that we opened the first 75 km of high-speed railway from Belgrade to Novi Sad, where the most modern trains run at a maximum speed of 200 km/h. So, in slightly more than half an hour, today you can travel between the two largest cities in the country. This is a historic undertaking, the first railway of its kind in Southeast Europe, managing to transport about 1.3 million passengers in about six months.

At the same time, with the completion of the construction of the first section of the Preljina–Požega motorway, we created a bypass around Čačak, which completely relieved the city roads and eliminated chronic traffic jams on the motorway. We opened to traffic more than half of the section Ostružnica–Bubanj Potok on the bypass around Belgrade, and finally connected Kragujevac to the international Corridor X.

Since the end of October 2020, we have started work on the construction and reconstruction of 309 km of new roads, both in rail and road transport.

In rail transport, we have started work on the high-speed railway Novi Sad–Subotica/Kelebija, 108 km in length; we started and finished the reconstruction and electrification of 27 km on the Subotica–Horgoš railway; we started work on the tunnel on the Stalać–Djunis section, 17.7 km in length, which technically represents the most challenging section on the Belgrade–Niš railway; we started reconstruction and modernisation of the section Niš–Brestovac, 23.4 km in total length.

As for the road infrastructure, we have started work on the Danube Corridor (from Corridor X, via Požarevac and Veliko Gradište to Golubac, total length of 69 km); we started the construction of the Fruška Gora Corridor (Novi Sad–Ruma) with a total length of 48 km, featuring the longest tunnel in Serbia; we started building the first kilometres of the Peace

Motorway Niš–Merdare, on the Merošina–Merošina I section (5.5 km); we commenced work on connecting Belgrade with the Miloš Veliki motorway, i.e. the construction of the section Surčin–New Belgrade (8 km); we started with the construction of a new bridge over the Danube in Novi Sad, continuation of Bulevar Evropa (2.4 km), with access roads and connections.

Managing to ensure better connectivity within the country, we directly contributed to further economic development and attracted foreign flows of goods, which made Serbia stand out as a leading transit country in this part of Europe. The traffic on our motorway network recorded an increase of over 81% in less than a decade, i.e. from 34.5 million vehicles in 2012 to 62.5 million in 2021.

Currently, the construction of about 500 km of motorways and high-speed roads is underway, while in the next term of the Government, by 2026, we will start new projects in the field of traffic infrastructure. The most important projects currently being implemented are certainly the Preljina–Požega motorway, the Fruška Gora Corridor, and the Morava Corridor.

In the next four-year period we will complete works on the reconstruction and modernisation of 300 km of railways worth around EUR 1.5 billion: the Belgrade–Budapest high-speed railway, from Novi Sad to Kelebija (108 km); Niš–Dimitrovgrad (108 km), Niš–Brestovac (23.4 km); the Stalać–Djunis section of the Belgrade–Niš railway (17.7 km); and the Knjaževac–Zaječar section, 43 km (Niš–Zaječar railway).

In the same period, we will start reconstruction and modernisation works on projects on the national network in the total length of slightly more than 900 km, their estimated value being about EUR 4.8 billion: (1) Belgrade–Bar railway, section Valjevo–Vrbnica (210 km); (2) Belgrade–Niš railway (230 km); (3) Stara Pazova–Šid–border with Croatia (92 km); (4) Niš (Brestovac)–Preševo–border with North Macedonia (135.5 km); (5) Pančevo Glavna–Vršac–border with Romania (75 km); (6) Stalać–Kraljevo (72 km); (7) Kraljevo–Rudnica (77 km); (8) Ostružnica–Batajnica (20 km).

We pay special attention to the continuation of the construction of the Belgrade Metro (underground railway). We started work on Line 1 from Železnik to Mirijevo, with a total length of 21.4 km, with 21 stops and an estimated value of more than EUR 2.5 billion. We also started work on and continued with preparing the documentation for the remaining lines.

Water transport is becoming increasingly important to us, and our main strategic goal is to boost the share of water transport in the total volume of transport services from 4.5% in 2012 to 18% in 2025. We as a country are currently at 14% share, an increase of 10 percentage points over the last 10 years. With 14.5 million tonnes of goods transported by waterways, water transport is the second largest by volume (right after road transport). After the successful reconstruction of the Djerdap 1 ship lock, we started major works on the reconstruction of the Djerdap 2 ship lock, which we will finish by the end of 2023. By the end of 2025, we plan to improve critical sectors on the Sava River, the confluence of the Drina and the Sava, in order to enable a greater volume of traffic and increase the safety of navigation on the Sava, especially in summer, during periods of low water levels. Finally, later on this year, we will also start implementing a project that has an important historical background: the extraction of the sunken German fleet from the Second World War from the Danube near Prahovo. Its completion by the end of 2025 will solve a serious problem for navigation on this most traffic-frequented part of the Danube, open up new opportunities for the development of tourism in Negotinska Krajina, while the implementation of

this project will be covered by the globally largest television production companies. This will contribute to the branding of Serbia as a country able to apply the most modern technologies in the realisation of an extremely dangerous undertaking, which involves the underwater removal of several thousand unexploded ordnance from the Danube.

We are also continuing to invest in air transport as well. After the coronavirus pandemic, the recovery of air traffic in 2022 continues, recording, in some segments, even better results than the ones in 2019, before the epidemic. The strategic goals in the coming period are the development and construction of new airports in order to provide airport infrastructure in the territory of the Republic of Serbia, improve the existing infrastructure, and develop the infrastructure capacities of airport and improve the connection of airports with the infrastructure of other modes of traffic, as well as mitigate the impact on the environment.

At the Nikola Tesla Airport, in the period January-August 2022, the number of passengers served increased by 75.5%, compared to the same period in 2021. In the same period, the Niš Airport Konstantin the Great saw three times more passengers served compared to last year, thus equalling the number of passengers served in the reference year 2019.

We also recognise the huge untapped potential of Serbia for the strong development of intermodal transport. We are currently in the process of drafting the National Multimodal Transport Strategy for the period until 2030, in order to improve the efficiency in the transport of goods in the long term and in a sustainable way, to attract new investments in industries where investors view the efficient flow of goods as an advantage in decision-making, and to achieve a significant positive impact on the environment. In addition to the completion of the intermodal terminal in Batajnica, we will work on the construction of new intermodal terminals and freight transport centres by attracting the private sector to invest in the new capacities.

It is also time to think about the green and digital transformation of our transport system. We will contribute to this goal by increasing the share of water and rail traffic in the overall transport of goods in our territory. That is why our focus will be on the development of e-mobility, through the expansion of networks of electric chargers, defining the legal framework in this area, incentives for the purchase of environment-friendly vehicles, and through further investments in the development of river transport. In 2021, we started installing super-fast electric chargers on our motorways, and we plan to cover the entire motorway network with fast chargers. Also, we aim to make urban mobility healthier and more sustainable.

Globally, we are a small country; in order to achieve the effects of economy of scale, we must think more broadly and we must work together. This is just one of the reasons why the Open Balkan Initiative is so important. Through the Open Balkan Initiative we will continue to work on harmonising and implementing measures that will increase and advance economic cooperation, simplify procedures related to import, export and movement of goods, and lead to the steady development of economic ties through the expansion of trade and gradual removal of barriers in trade in goods. Putting in place the unimpeded transport of people, goods and services between the countries of the region is one of the key elements of efficient economic integration, and we will work on this in the coming period.

In addition to mutually allowing free access of the citizens of Serbia, Albania and North Macedonia to the labour markets and the previously agreed crossing the border only with identity cards, some of the practical measures that contribute to cooperation and forming the common

market in the area of the Open Balkan Initiative in connection with the functioning of border crossings, are to ensure 24/7 working hours of all competent services and inspections at the main border crossings, to introduce joint border crossings in order to reduce halts and checks to the necessary minimum, to do away with inspecting goods at border crossings, and to provide additional lanes at the crossings themselves in order to prevent traffic congestion.

### **1. 3. Smart, resilient and sustainable agriculture**

Agriculture, together with the food industry, is one of the most important sectors of the Serbian economy, achieving a constant positive foreign trade balance. The most important agricultural and food products exported are commercial maize, frozen raspberries, tobacco, cigarettes and fresh apples, and the most important trading partner of Serbia is the EU. The share of agriculture in gross value added (GVA) is about 8%. People employed in the agricultural sector make up slightly less than 15% of the total number of the employed in the Republic of Serbia.

Ten years ago, Serbian agricultural exports stood at 2 billion dollars. In the previous year, over 5 billion dollars worth of food was exported, not only raw materials and field crops, but also organic products (10 times more than 10 years ago), semi-finished and finished products to new large markets such as Egypt, Indonesia, China, India, the UAE, Saudi Arabia, Turkey. The export of products in the agricultural and food sector has been growing significantly over the last decade, with an average annual growth rate of 7%, while in the last two years the annual growth rate was as high as 13% and 12%, respectively. It is especially important to mention the example of the record export of honey in 2021 (2,175 tonnes worth EUR 13,139,900 exported), which was contributed to by a systemic approach and support to individual honey producers working together.

In previous years, winemaking and viticulture were especially profiled as a huge potential. This is indicated by a significant growth in the number of registered wine producers: in 2014, 240 wineries were registered, and today there are 457. Also, there is a noticeable interest in increasing the area under vineyards, as well as in improving the quality of Serbian wines and the recognition of our wines on the national and international markets. In December 2020, the Government adopted the Winemaking and Viticulture Development Programme for the period 2021–2031, and we are working on the proposal of the new Law on Wine in order to better regulate this important area and realise its full potential. The most important international event for the promotion of Serbian wine was the “Wine Vision by Open Balkan” fair, held for the first time in the Republic of Serbia. This international fair brought together 400 exhibitors from Albania, North Macedonia and Serbia; in addition, 19 other countries from around the world were present.

As part of comprehensive investments in the agricultural sector, intensive work is being done to install fully automated hail protection systems. After the completion of the first pilot project for the installation of automated anti-hail systems in the Valjevo radar centre (99 stations), RC Fruška Gora (118 stations) was fully completed, RC Bukulja (44 stations) was partly completed, and RC Bajša (141 stations) and RC Samoš (130 stations) are currently underway. A line of hail protection was also agreed upon which will defend our cultivable land from the Republic of Srpska. The total amount of EUR 20 million of funding has either already been allocated or is currently being provided for these systems.

At the same time, the electrification of irrigation fields will provide support to agricultural producers in fruit and vegetable production. Electric power facilities worth over RSD 115 million were built in the territory of the municipalities of Mali Idoš, Vršac, Odžaci, Indjija, and Sombor. In the following period, the construction of the needed power facilities is planned for the electrification of irrigation fields in the territory of Mačva, worth about RSD 100 million.

Along with investments in field electrification, investments are also made in irrigation projects. Using a loan from the Abu Dhabi Development Fund, we continued to finance the development of an irrigation system worth USD 97 million. The project includes construction, reconstruction and rehabilitation of water supply facilities and systems for irrigation purposes in the areas of Bačka, Banat and Srem, and hydromelioration systems in the areas of Šabac, Čačak, Pančevački Rit, Topola, and Paraćin. The system will be fully operational by 2025.

The EU support has a significant contribution to the development of agriculture. The IPARD III programme has significantly grown compared to the previous period, and amounts to EUR 288 million. It is expected that this EU support, together with national and private contributions, will amount to over EUR 580 million of investments in Serbia. The investments to be supported concern the procurement of equipment and machines, construction and reconstruction of facilities which will significantly contribute to achieving the EU standards in the field of hygiene, food safety, animal welfare and environmental protection, and the empowerment of agricultural producers and processors for placing products on the EU market, as well as the preparation for absorbing the EU funds that will be available to domestic agricultural producers and processors upon accession to the EU.

Special attention in the coming period will be paid to organic production. The main challenge for the agricultural and processing sectors is to increase competition at the level of production and processing, by creating products with a higher degree of processing and ones with added value, which would ensure greater certainty of sales and competitiveness both on the domestic and export markets. In addition, consumers are increasingly looking for products with certification of quality and safety, and for products with a known origin. The main two tools for creating products with added value are products obtained by organic production method, as well as products with a designation of origin or geographical indication. The purpose of the development of organic production and the system of protecting geographical indications and designations of origin is to expand the offer of food products for consumers, but, more importantly, also to provide small and medium-sized producers with higher earnings and thus contribute to the faster economic development of rural areas.

Over the previous 10 years a trend of growth of areas under organic production can be observed. In this period, the total area increased by 271%. In 2021, the value of exports of organic products increased by 53% compared to the previous year (in 2020, exports amounted to EUR 37.5 million, and in 2021, they stood at EUR 57.4 million). The highest value was achieved by exports to Germany (EUR 18.3 million, or 31.36% of the total value of exports), the USA (EUR 7.7 million, or 13.5% of the total value of exports), the Netherlands (EUR 6.9 million), France (EUR 4.2 million), Poland (EUR 3.5 million), Canada (EUR 3.4 million), and Italy (EUR 2.8 million). The highest value was achieved by the export of frozen fruit (78.4%). In accordance with the projected increase in areas under organic production, it is expected that new producers will be included in the organic production system and that the number of 7,000 producers will be reached by the end of 2024.

In order to motivate producers to switch to organic livestock production, in addition to paying for high-quality breeding livestock, we plan to cover other livestock by this kind of support, starting from 2023. Incentives in organic livestock production will include payments per head/hive for cattle, horses, donkeys, sheep, goats, swine, poultry, bees, fish, and payments per litre of raw cow milk, sheep milk and goat milk produced by organic production methods. Due to the improvement of the support system for organic production, the number of cattle in the organic production system is expected to increase by 8%, honey bee colonies by 3%, and the number of sheep in the organic production system will reach 6,000 heads.

In the previous period, we also worked on the introduction of a digital system for leasing out state-owned agricultural land. Now, all auctions of state-owned agricultural land are conducted exclusively digitally, which eliminates any possibility of illegal influence during procedures for leasing out state-owned land. Today, the state authorities have real-time data on the location and status of each individual state-owned plot on satellite maps, and all the data on each of the nearly 300,000 plots is public and available to every citizen. All this results in maximum transparency in the management of this important resource, higher rental income, larger leased areas, and given that the state leases around 280,000 hectares, this certainly had an impact on raising the productivity of agricultural production and the food industry in general.

What remains to be done with regard to agricultural land management is the creation of a digital solution for monitoring the quality of agricultural land in real time, not only state-owned, but also private, as well as the creation of a digital field record book, which we will actively work on during the term of office of this Government. The creation of this software application will significantly contribute to better allocation of incentives granted to farmers.

Improvement of processing capacities with the aim of creating greater value, which will ultimately generate a higher GDP, will remain one of the priorities. Good examples of the restoration of almost forgotten giants of the food industry are the plants and facilities of Budimka, Voćar, Porečje from Vučje and Fidelinka (Don Don), where production is returning after many years. Among the new capacities, the opening of H&S Fruit in Arilje is expected soon, a joint EUR 8 million investment by a Serbian company Stanić and a Hungarian partner, a factory for fruit processing and production of aseptic fruit purees and jams, creating 40 new jobs.

#### **1. 4. Tourism**

After extremely difficult years for the global tourism industry due to the coronavirus pandemic, domestic tourism quickly managed to recover and achieve record results already in 2021, and this year especially. The foreign exchange inflow from tourism in the first six months of 2022 (EUR 969 million) was 57.9% higher compared to the same period of 2021, and 72.4% higher than in the same period of 2019, which was the best year in the history of tourism in our country. Such a strong growth and recovery of our tourism industry is the result of the fact that in the previous two years, the Government decided to pay out more than RSD 8.6 billion to help the tourism and hospitality industry.

The Vouchers for Holiday in Serbia campaign, launched in 2015, significantly encouraged the development of domestic tourism, and was especially helpful in the recovery period. From 2015 to 2021, 1,176,000 vouchers worth RSD 5,880,000,000 were distributed. In 2022, funds have been allocated for a record 400,000 vouchers worth RSD 4.5 billion. Over time, more and more

accommodation facilities joined this programme, thanks to which a significant contribution is expected in terms of intensifying the exploitation of the existing tourist offer in Serbia, reduction of foreign exchange outflow, and promotion of new tourist destinations.

Such record-breaking results would not have happened were it not for the huge investments in road and other infrastructure and the creation of favourable conditions for private investors to invest in hospitality industry facilities. In the previous two years, 46 new categorised hotels opened throughout Serbia, eight of which in Belgrade, and the rest in numerous other tourist centres (mostly spas and mountains). Restored and reconstructed fortresses on the Danube, archaeological sites and cultural institutions make more and more destinations in our country very attractive for domestic and foreign tourists.

The implementation of the capital project “Improving infrastructure in nautical tourism” is underway, which includes the construction of several marinas on the Danube, in Veliko Gradište, Kladovo, and other key locations. Through the project “EU for Cultural Heritage and Tourism” (#EU4You), investment is planned into Rajačke Pimnice near Negotin. Works on this site include the construction of water supply and sewage networks, installation of a new power substation, power grid and public lighting, as well as the paving of pedestrian paths in the complex.

In the coming period, the revitalisation projects for the landscape with exceptional features, protected area of the Ovčar-Kablar Gorge is expected to continue. During the last two years we completed a number of projects: the Natural History Centre in the Ovčar Spa, the amphitheatre and the square, the access road to Kablar, reconstruction of the railway station, the dock on Lake Medjuvršje, etc. The implementation of the list of projects from the second phase is underway, among which are capital environmental and health-related projects, which will return Ovčar Spa to the core of spa tourism in Serbia.

According to the same principle of joint actions of the institutions and coordination of national and local institutions, we are also working on the development of southern and western Serbia, where projects have been launched in key locations of touristic, ecological, cultural and economic importance for Jablanički, Toplički and Raški Districts. The area of southern Serbia, as an area of outstanding beauty of the landscape and natural wealth on the unexplored Radan mountain, and the cultural and historical heritage of the archaeological sites of Caričin Grad and Pločnik, will be united into a new offer for tourists. The arrival of the famous foreign hotel brand Marriott in Vranjska Banja is a huge incentive for the development of tourism in this part of Serbia. One of the most important infrastructure projects currently being implemented is the construction of a road over Radan mountain that will connect Prolom, Lukovska, Kuršumlijska, Sijarinska spas and Djavolja Varoš. In the Raški District the emphasis will be on improving and developing the Maglič fortress site, as well as the Bogutovačka and Mataruška spas.

For two years now, our tourism industry has had the digital support of the e-Tourist system. It is the central information system of tourism and hospitality industry and is a database and records of all accommodation facilities in the Republic of Serbia. In addition to hotels, motels, hostels and apartments, the system includes rural households and flats to rent. This system enabled the systemic regulation of the hospitality and tourism sector, which led to an extremely significant reduction of grey economy, improvement of business conditions for all operators on the market, as well as protection of consumer rights in tourism and hospitality industry. Next year, the establishment of a new independent module, “Insurance”, is expected to take place, which should

allow travel agencies to record contracts on brokering in the sale of tourist travel packages and keep records of sold tourist trips, as well as to record travel guarantee certificates, while travellers will be able to check the validity of issued guarantees. All of this will take place along with the integration with SBRA (Serbian Business Registers Agency), i.e. providing the necessary data to the SBRA for licence renewal.

In the previous period, a great step forward was achieved in terms of promoting Serbia as a global tourist destination. At the world exhibition Expo, which was held for six months last year and this year in Dubai, Serbia had its largest presence in the 170-year history of this event. The culture, history and economy of our country were presented in the pavilion on as many as 2,000 sqm, but a large part of the exhibition and other activities was aimed at promoting the tourist offer. The pavilion was visited by over 1.3 million people from all over the world, more than 10,000 business contacts were made, and over 6,000 articles and stories were published in the world and national media.

At the 24<sup>th</sup> session of the General Assembly of the UN World Tourism Organization (UNWTO) in 2021 in Madrid, Mokra Gora was declared to be one of the 44 winners of the “Best Tourism Villages 2021” award, and the village of Gostilje was chosen to participate in the Best Tourism Villages Upgrade Programme, which contributed to the global recognition of Serbia for its exceptional achievements in the development of rural tourism. This year, Serbia participates again in the UNWTO competition, represented by Tršić (Loznica), Ždrelo (Petrovac on the Mlava), and Bela Voda (Kruševac).

Recently, as part of the Open Balkan Initiative, the Memorandum of Understanding and Cooperation in tourism in the Western Balkans was signed, with the aim of economic development and the establishment of a single market of tourism services as well as a single tourist product of the three countries.

### **1. 5. Culture and creative work**

As we correctly predicted in 2017 and 2020, the creative sector is growing unstoppably and represents a great opportunity for Serbia. Knowledge and creativity are the most valuable resource in the economy of the 21<sup>st</sup> century, adding value to traditional economic activities by improving the quality of products and services and making them globally competitive and available. This is what Serbia is recognised for globally, and it is on knowledge and creativity that the new face of modern Serbia rests upon, promoting talent, excellence and innovation.

Even during the last two years of the pandemic and crisis, the economic potential of creative industries grew at a rate of 3.6%, and the number of sole proprietors in these activities grew to over 73,000. The contribution to the GDP is an impressive 7.4%, and this is our youngest economic sector: more than half of the employed completed higher education, are between 20 and 45 years of age, and about 45% of them are women.

Filmmaking and audiovisual production, into which over these years we have invested hundreds of times more than in previous decades, returns this investment to our society and economy many times over. Through 28 competitions of the Film Centre of Serbia, hundreds of projects are supported every year, as well as through an incentive programme, through which 257 domestic and foreign films, TV series and commercials received a refund of 25-30% on their investment.

There is almost no significant film festival in the world without at least one participant from Serbia. The number of employees in this field has increased by as much as 39% since 2019. In the last five years, through our incentive programme, we attracted more than 200 million in domestic and foreign private investments to our country. Practically, for every euro invested through this programme, EUR 4.5 in investment enters the economy of our country! This field of creative work is currently at a level we could have only dreamt of ten years ago, and Serbia is a true regional leader.

An exceptional impact has also been achieved in the promotion of our country and culture in the region and globally through audiovisual production projects. This also encourages strong international cooperation through numerous realised co-productions and co-production agreements signed by our country. A major incentive for this in the coming period will be the recently signed agreement on cooperation in filmmaking and audiovisual production activities within the Open Balkan Initiative, which provides even for the establishment of a regional fund.

Another area of creative sector that we correctly predicted would be leading is the video game production industry. In the previous period, the national video game industry achieved exceptional growth and annually earns between EUR 80 and 120 million, mostly from foreign markets. In Serbia today there are more than 100 companies and teams that professionally develop games, employing more than 2,000 people.

This is precisely why our administration, in cooperation with the Digital Serbia Initiative, launched the first multidisciplinary master's studies two years ago, combining the most up-to-date knowledge and experience in programming and art. In these studies, scientific and technological knowledge is adapted to the field of art, and knowledge and skills from artistic fields are applied and incorporated into the field of video games. The Master 4.0 programmes brought together 13 higher education institutions from three state-owned universities and more than 10 successful software companies, and in addition to hiring professors from Serbian faculties, lecturers from foreign universities (the U.S., Spain, Australia, Croatia) and also from the business sector were also brought in.

Starting this year, we launched a new graduate programme in the field of visual effects, animation and gaming at the Faculty of Dramatic Arts (FDU), University of Arts in Belgrade, with the support of national gaming companies and in cooperation with the globally renowned company EPIC GAMES. In addition, this global corporation, together with the exceptionally successful domestic company 3Lateral, which is a part of EPIC GAMES, is building a development centre in Novi Sad for advanced technologies used in the production of video games and audio-visual content.

In order to advance our high school education, we applied in the field of creative creativity as well the approach of bringing the education system closer to the real needs of the labour market. Two years ago we introduced into grammar schools specialised classes for students with outstanding aptitudes for performing arts and audio-visual arts in Belgrade, Novi Sad, Niš, Pirot, Kragujevac and Subotica, for which there is a great interest of students.

During the last two years, as promised, through the participation of many of our artists and creative workers on the international scene and through robust activities of cultural diplomacy, we promoted our country in the best possible way, considerably changing its image. From the concept for Serbia's overall presence at the world exhibition Expo in Dubai that actually rested

on creativity and cultural and archaeological heritage via the platform “Serbia Creates”, through the notable appearances by our architects and artists at the Venice Biennale and various awards at film and television festivals, all the way to the European Capital of Culture, Serbia showed its most beautiful face to the whole world. We are especially proud that Novi Sad is the winner of the special award of the European Commission “Melina Mercouri” for one of the best ever European capitals of culture. Through the European Capital programme, the largest infrastructural investments in cultural spaces in the last 50 years were made in Novi Sad. Novi Sad also got its first City Concert Hall where, where, after almost 100 years, both the Music and Ballet Schools got their own premises. By the end of the current year, more than 4,000 events will take place, and this year alone, Novi Sad was visited by more than 4,000 artists from all over the world.

The National Capital of Culture Programme, which the Ministry of Culture and Information started implementing last year, selecting Čačak to be the first capital in 2023, is extremely important. Smaller towns will be able, with additional financial and other support from the state, to develop as creative centres just like Novi Sad. Providing infrastructure and new spaces for the creation and display of works of art, as well as forming networks of various creative activities through multidisciplinary and multimedia projects, in addition to the wealth of contents of cultural and artistic programmes, will create strong new cultural centres throughout our country in the coming years.

The backbone of our further work in the field of creativity will be the construction of infrastructure and the restoration of monuments of cultural, historical and industrial heritage. One of the most important projects in this sense is the renovation and adaptation of the old railway stoking space, “Ložionica” in Belgrade, into a creative and innovative multifunctional hub dedicated to creative industries. As an immovable cultural and historic heritage, Ložionica is a symbol of urban development reviving the past by encouraging creativity, innovation and the creation of added value. The focus of Ložionica activities will be skill development, technical assistance and support to professional associations, creative talented individuals, artists, and innovative entrepreneurs, through education, networking and connecting to business opportunities.

Two years ago, we dedicated ourselves to finding solutions for the premises of our largest art schools. After more than 80 years in a ‘temporary’ accommodation where our talents practise in the corridors and toilets, the Faculty of Music (FMU) in Belgrade will get a magnificent building within the future Linijski Park with several indoor halls, the largest of which, for symphony orchestra rehearsals, will seat as many as up to 600 visitors. The new building will meet the needs of a significantly larger number of students and employees, and for the first time Serbia will also have a Department for Artistic Dance, the first higher education programme for artistic dance and teaching artistic dance.

The Faculty of Applied Arts (FPU) in Belgrade will move into a new building of 11,000 sqm in Karadjordjeva street. This facility will house studios and lecture halls for the departments of applied sculpture, applied painting and applied printmaking. The new premises, which will be built in four levels within the Kosančićev Venac cultural and historic complex, will have parts that are publicly accessible and where the students’ works can be shown to the general public.

Work is also underway on the reconstruction of the current premises and construction of new buildings of the Faculty of Fine Arts (FLU) in Belgrade. The reconstruction of the existing

premises creates space for the work and development of the new Digital Art department and significantly improves the work of the Sculpting department. The spaces that are being reconstructed and the new studios being built are connected so that they can be used as an exhibition space for occasional public exhibitions of students' works.

At the confluence of the Sava and the Danube, Serbia will finally, for the first time, get a real modern concert hall. In an international competition, where a large number of leading architectural bureaus from all over the world participated, the striking solution by the architects from Amanda Levitt studio from London was chosen. The Feasibility Study had been completed beforehand, which will ensure that we have an acoustically perfect modern concert hall, the new home of the Belgrade Philharmonic Orchestra.

In the coming period, we will especially invest in cultural infrastructure and the protection and presentation of our cultural and archaeological heritage. As we announced two years ago, the rehabilitation, restoration and further development of the archaeological site of Vinča–Belo Brdo is one of the priorities in order to put Vinča on the cultural and tourism map of Europe and make this site a regional hub for innovation and interdisciplinary activities in the field of archaeology and the protection of cultural heritage. Further development of the site means that presentation and protection of the cultural heritage will follow the development of cultural tourism and archaeological research. That is why we decided to declare Belo Brdo a tourism area, following the example of the Golubac fortress, thus allowing it to become a centre from which the network of Neolithic sites throughout Serbia and the region will commence. After rehabilitating the landslide that had been threatening the world's most important treasure for decades, we are building a Visitor Centre, working on improving the banks of the Danube and the local river Bolečica, adding greenery to the area of the archaeological park and offering contents of interest for children and adults there, and building a Scientific Research Centre for the study of the Neolithic.

During this term of the Government, the restoration of the ancient settlement of Medijana near Niš will be completed, and this unique complex, originating from the period between the 3<sup>rd</sup> and 4<sup>th</sup> centuries, will be presented. Since 2013 to date, a protective structure has been built, the Museum building has been reconstructed, and now preparations are underway for the construction of a new Archaeological Centre building, to be worth more than EUR 2.5 million.

Another important site, Caričin Grad (Empress's City), is one of the best-preserved early Byzantine cities due to the fact that after disappearing from the stage of history at the beginning of the 7<sup>th</sup> century, it remained uninhabited until today. In the next two years, we will invest about RSD 500 million into the excavation, restoration and presentation of this site in order for it to be included in the UNESCO World Cultural and Natural Heritage Sites list. It is also important that this site, when restored, will significantly help the local economic development of the municipality of Lebane through the development of tourism.

In the next two years, we will complete the reconstruction of the Central Tower of the "Staro Sajmište" memorial centre, which will finally honour the victims of the Nazi concentration camp on the old fairground in Belgrade in the right way. What is planned after the completion of the reconstruction of the Central Tower is the reconstruction of the Italian Pavilion, also located in this complex.

In its previous term, the Government for the first time made arrangements for a loan from the Council of Europe Development Bank for infrastructure in culture, and during this year, work will begin on the renovation of the facade and access plateaus of the Museum of Yugoslavia in Belgrade, adaptation of the old military building into a multifunctional cultural centre in Pirot, the reconstruction of the small hall of the National Theatre in Niš, and the facade of the National Theatre in Belgrade.

## **1. 6. Sports**

In the previous period Serbian sports saw historically record-breaking results in all fields. The Government recognised sports as one of its priorities with the largest investments in sports ever, providing funding for all programmes, including the programmes that provide conditions for the work and preparation of athletes, as well as programmes for international competitions, camps for promising athletes and scholarship holders. And just one of the results of the greatest systemic support in this area so far is the fact that we have won 71 medals in Olympic and Paralympic disciplines in the period from 2020 to today. The total number of medals won in Olympic and Paralympic disciplines in the period from 2000 to 2011 was 156 medals, and in 10 years, from 2012 to date, Serbia has won 341 medals. That is an increase of over 118%.

The stronger economic power of the country allowed us to increase the monetary rewards for medals won at the Olympic and Paralympic Games by 100% compared to 2012. In addition, over the last 10 years, the rewards were paid within seven days, unlike the period when the payments used to be delayed for more than two years. At the Olympic Games in Tokyo 2021, a record-breaking 9 medals were won, as many as our Olympic delegation won in total during three previous Olympic Games (in 2004, 2008, and 2012).

Moreover, we provide equal support and attention to our young athletes as well. The monthly sports scholarship for promising athletes, starting when they are 15, is today RSD 23,335 more than in 2020, and even RSD 46,113 more than in 2012 (RSD 111,943 instead of RSD 65,830). In 2022, there are more than 560 holders of national awards and nearly 400 sports scholarship holders, for which we are allocating almost RSD 1.5 billion.

An equally important aspect of sports is sports in schools, that is, sports that are not only competitive, but play the important role of creating good habits in every child in Serbia, and which are synonymous with good health. With this goal in mind, we renovated 371 school gymnasiums and courtyards and procured new equipment and sports props. Today, more than 185,000 primary and secondary school students are included in the school sports system today.

We pay special attention to as many girls as possible being included in sports through partnership and cooperation with the Women's Sports Institute. It is for the first time now that girls of primary school age have the opportunity to try out several sports for free and also be trained for free in the sport of their choosing.

## **2. FIVE FUNDAMENTAL PRIORITIES OF THE GOVERNMENT OF SERBIA**

### **2. 1. New energy policy**

This year and the following years will represent the years of challenges, both for the Republic of Serbia and for the entire European continent. Our goal will be to ensure the stability of supply, to increase electricity production, to improve energy efficiency, and also to carry out the inevitable transformation of the energy sector. We are witnessing tectonic changes and disturbances in this area, which has a huge impact on all aspects of the development of the country, the economy, and the quality of life of the citizens.

And precisely because of this, one of the fundamental priorities of the Government of the Republic of Serbia will be ensuring the conditions for a secure and stable supply of energy and energy products, reliable and safe operation of the energy system, flexibility and resilience of the energy system, while constantly raising the environmental protection standards.

It is important to note that every year the Republic of Serbia imported electricity during the winter months (in the period from October to March, depending on how cold the winter was and on the availability of all our production capacities). It is also important to point out that, regardless of the problems and the energy crisis, these are not our worst years in the power system. In the period from 2001 to 2022, due to deficits, outages or overloads, the supply of electricity was limited in 2001, 2002, 2009, 2011 and 2012. In the last 15 years, from 2008 until today, the Republic of Serbia, imported, on average, 855 GWh of electricity during winter months. Imports of electricity due to unfavourable weather conditions in some years went up to 1,106 GWh (in 2011) and 1,170 GWh (in 2012), but also even as high as 2,300 GWh in 2014, an additional consequence of the floods.

The fact is that the existing plants for producing electricity from coal were built decades ago, that our most recent large plant for electricity production (Thermal Power Plant Kostolac B2 with a capacity of 348.5 MW) was put into operation 31 years ago, and that it was inevitable that our energy sector would face its own crisis independently of the world energy crisis that began this year.

During the term of this Government, we will certainly ensure a much more significant level of investments in energy infrastructure, especially in the electricity production sectors, in order to achieve energy efficiency and with the aim of diversifying the energy supply sources.

The internal crisis of the energy sector, as well as the war in Ukraine and the global energy crisis, have clearly shown the weaknesses of Serbian energy supply system and the seriousness and gravity of the situation in which we find ourselves. Serbia is now more than ever faced with the consequences of a long-term lack of investment in energy infrastructure and facilities, slow implementation of the legal framework, and sluggish transition to market economy principles in the sector.

What is inevitable in terms of the future direction of the energy sector development in the Republic of Serbia is greater diversification, which will ensure security and greater energy independence, as well as energy transition towards green energy, which is also one of the biggest challenges of today. In particular, it should be noted that this is a transition that is motivated

primarily by a response to climate change, and as such will lead to decarbonisation, but also digitalisation in the energy sector, which primarily refers to the digitalisation of energy networks and communication with energy consumers. This process will also involve the consumers, who will take a more active role in this process.

A special challenge, and something which we should keep in mind at all times, is maintaining a stable price of electricity and thermal energy and its gradual increase, exclusively in accordance with the rise of the citizens' standard of living and purchasing power. Despite the energy crisis, the price of energy in Serbia is affordable and acceptable for customers. It is largely subsidised by the state, and at-risk households, disadvantaged categories and vulnerable populations are especially protected. The price of energy must remain controlled for the industry as well, in order not to jeopardise the competitiveness of our economy, especially in such unpredictable and difficult times. The price of electricity in the Republic of Serbia remains among the lowest on the European continent, as shown by EUROSTAT data for the first half of 2022, where the price of electricity for households in the Republic of Serbia is the lowest; if considered without fees and VAT it was 6.73 €/kWh. As for power prices for industry, only Bosnia and Herzegovina (7.41 €/kWh) and Montenegro (7.62 €/kWh) had a lower price of electricity. When it comes to gas prices, only Hungary had a lower price of this energy source for households, compared to the Republic of Serbia (3.05 €/kWh), while for industry, the lowest price of gas is in the Republic of Serbia, and it was 3.68 €/kWh (amounts are given net of fees, charges and VAT).

In the previous period, the Republic of Serbia undertook certain international commitments as well, which clearly shows its decision on the direction of development of its energy sector. Namely, we signed the Paris Agreement on climate change in 2017, and this year we submitted our second Nationally Determined Contribution, having committed to reduce greenhouse gas emissions by 33% (compared to 1990), by 2030.

The Republic of Serbia is also a signatory to the Treaty Establishing the Energy Community. Through this membership we are progressively integrating the EU legislation related to energy, as well as to climate change, in a way that allows gradual adaptation. The Green Agenda for the Western Balkans intends to include candidate countries for the EU membership in the processes covered by the EU Green Deal. The Sofia Declaration on the Green Agenda for the Western Balkans was signed in November 2020. Among other things, it provides for activities aiming to achieve climate neutrality, or decarbonisation, define energy and climate goals for 2030, apply CO<sub>2</sub> emission taxation, etc.

The growth and transition of the energy sector entail great risks and challenges as well, such as: the growth of the share of renewable energy sources (RES) and the problems and costs of integrating RES into energy systems; the rate of commercialisation of energy storage technologies, opportunities for developing other forms of storage, including thermal energy storage and reversible hydropower plants; rate of commercialisation of green hydrogen; rate of transition to electric vehicles, increase in energy efficiency, risks related to the provision of minerals critical for energy transition: nickel, lithium, copper, cobalt; possibilities of commercialisation of CO<sub>2</sub> capture, storage and utilisation technologies: prospects for reducing costs and commercial use; changing the way of space heating: increase in RES and rising share of heat pumps, and the possible role of nuclear power plants in the coming decades.

Currently a large number of strategic documents are being drafted that will take into account the situation in the Republic of Serbia, i.e. fossil fuel reserves, natural potentials for energy

production from renewable sources, a just and socially and economically justified transition, energy needs, etc. The three basic strategic documents defining the energy policy are: Energy Sector Development Strategy, Strategy Implementation Programme, and Energy Balance of the Republic of Serbia. In addition, the Law on Energy provides for developing the Integrated National Energy and Climate Plan of the Republic of Serbia. During the previous term of the Government, in 2021, the development of a new energy policy started, i.e., two strategic documents are currently being developed in parallel, namely the Integrated National Energy and Climate Plan of the Republic of Serbia until 2030 with a vision until 2050 and the Energy Sector Development Strategy of the Republic of Serbia until 2040 with projections until 2050. The development of the aforementioned documents will define the energy policy in accordance with the Green Agenda of the EU, i.e. the Sofia Declaration and the Energy Community Treaty, and will contribute to the implementation of the Paris Agreement.

In addition to the above, the Just Transition Diagnostics project for Serbia is being implemented. This project examines the social, financial and other consequences of the regions affected by the energy transition, and it should ensure that all the consequences of the change in the structure of the electricity industry are removed, that is, it should enable the reduction of coal use. Measures and activities will be determined that will enable a just transition, in accordance with good EU practices, whereby the regions where coal is produced and used for electricity production will be protected, as well as the affected companies, employees, local communities, and so new perspectives will open. In fact, all three of these documents are connected and must be harmonised.

In order to create the aforementioned strategic documents, it is necessary to define energy development projections for the periods up to 2030, 2040 and 2050. The Republic of Serbia must show exceptional knowledge, skill and persistence in the process of joining the EU to propose some more favourable solutions for our country, such as, for example, the proposal to incorporate solidarity into the Energy Community Treaty in accordance with the principles applied in the EU and adapted to the conditions in the countries signatories of the Treaty, and the proposal that the EU should create the Energy Community Fund for Just Transition (or the Western Balkans fund) with a purpose similar to the existing Just Transition Fund in the EU itself. Serbia must strengthen its capacities for strategic energy planning and cooperation with neighbouring countries, in order to continuously adapt policies and ensure an adequate response to growing uncertainties.

These major changes in the energy sector are deeply and in more ways than one connected to the overall economic development, they have a challenging social dimension, and significantly affect international relations and integration processes. These changes go beyond the energy sector, and for a country starting from a position similar to ours, they could be, to an extent, considered a nation-wide project. Finally, the energy transition and strengthening of the energy sector can and should be seen as an opportunity for additional growth, development and strengthening of the economy. As it was clearly emphasised in the introduction of this programme, in the coming period we plan to initiate investments worth EUR 12 billion in our energy infrastructure.

First, we will work on a swifter energy diversification. In early 2021, Serbia completed its part of the Balkan Stream and ensured the security of Russian gas supply, via Bulgaria, which also made us a transit country for gas supply. If we had not done this, Serbia would be in a hopeless situation today because it can no longer count on the previous supply routes. This year we started

the construction of the gas interconnector to Bulgaria (Niš–Dimitrovgrad section), which will be completed in late 2023. This will allow us to connect to all the gas sources reaching Greece as early as the first quarter of 2024, if both Bulgaria and Greece complete their sections, which is certainly expected. We will continue with gas diversification and the construction of a gas interconnector to North Macedonia, and we are also planning other gas pipelines depending on the investments of the countries around us, but also the timeframe of Turkey becoming a gas hub. Additionally, we will work on increasing the gas storage capacity. The contract with Hungary on the use of their gas storage capacities helped us a lot and ensured that we get through the winter period as easily as possible, but we also need to work on additional capacities in Serbia.

Our second priority is diversification in the field of oil supply. At the moment, the only way to deliver significant quantities of oil to the Republic of Serbia is by using the Adria Oil Pipeline (JANAF), via Croatia. Unfortunately, in the last month we have seen that this source is unreliable, not secure, and that this energy capacity is being used for political purposes. That is why it is necessary to urgently start the construction of another oil pipeline, towards Hungary, in order to ensure greater stability in supply. Arrangements with the Hungarian Government have already been made and the construction of an alternative oil pipeline will begin as soon as possible. The Government of the Republic of Serbia will also examine the possibilities of building another refinery in its territory, so that we would have the possibility to process other types of oil as well.

We will certainly work on building our own new capacities for electricity production. Next year, we will finish the construction of a new 350 MW thermal power plant, Kostolac B3. We are continuing with the construction of the Buk–Bijela hydroelectric power plant with Elektroprivreda, the power company of the Republic of Srpska, and we will engage with partners from both Bosnia and Herzegovina and Montenegro to see how we can make additional use of the capacities of the Drina river together. We are also planning negotiations on the construction of two new reversible hydropower plants, Bistrica and Djerdap 3. This will enable us to connect thousands of new megawatts from renewable energy sources and, therefore, grant a faster and safer energy transition.

We need to improve both the management and technical capacities of our power companies: reduce losses on the networks, increase efficiency, reduce our own consumption, and open the possibility of using some alternative energy sources as well.

The question of energy security becomes a question of national security. The challenge before us is not small, but it certainly represents an opportunity for new, additional growth, for energy transition and, to some extent, economic transition, but also for a cleaner and more protected Serbia.

Additionally, the mining sector will represent a significant element of the economic development of Serbia in the coming period as well, taking into account its current contribution, as well as additional potential, the utilisation of which would result in an even greater growth of the share of mining in economic and socioeconomic development, at the national, regional and local levels. As a traditionally mining country, we will be able to achieve this goal in a socially sustainable and environmentally acceptable way. We will look into all the ways to position Serbia as one of the leading countries for green transition in Europe.

## 2. 2. Education and science

In this term of office as well, education and science will top the list of our priorities. Because of this, and the experience from previous terms, we made the decision to split science, innovation and technological development into a separate ministry, so that we could dedicate ourselves more to both science and education. This is our key potential for further development and strengthening of Serbia.

### *Education*

It is necessary to reform the system of educating children in need of additional support (children with developmental disabilities). In August 2021, the Rulebook on the resource centre came into force, and in 2022, the decision of the Minister of Education, Science and Technological Development granted the resource centre status to 10 educational institutions, in line with the prescribed criteria. In the coming period, with the support of the UNICEF, we will work on equipping the centres and on providing infrastructural and professional support to the resource centres for supporting children in need of additional support; we will also work on reforming special schools, but also on systematic inclusion of children wherever possible, which also implies an increase in the number of pedagogical assistants in the educational system.

We will especially focus on supporting talented children as well. The fundamental elements for improving the education system that we put in place in previous years allow us to raise the bar and consider all children with all their specificities so that they can reach their maximum potentials. With this in mind, we must make a strategic approach where we will be able to recognise talented children at the earliest age, support them, and follow them through the entire system of education, and further, in their overall participation in the society.

When it comes to young people, in the past year alone we allocated more than EUR 25.5 million for scholarships to secondary school students and university students through programmes at the national level. Through the Fund for Young Talents, from 2014 until today, over 25,000 awards and scholarships have been awarded to secondary school and university students for studies in the country and abroad, in the amount of more than RSD 6.3 billion. Now we are going one step further and, following the examples of the Innovation Fund and the Science Fund, we will improve the work of the Fund for Young Talents in order to support our young people to advance their knowledge and skills, and thus contribute to the progress of their community and the country. We will improve the criteria for scholarships for students under current programmes in order to reward academic and scientific excellence, but also to especially value extra-academic achievements. We will also introduce new programmes to support secondary school student projects, which will directly stimulate entrepreneurship, innovation and creativity among our youth. One of the most important segments of the work of the reformed Fund will be employing these young people in public administration, and close cooperation with the business sector in order to offer them employment in Serbia and enable them to live and raise their families in Serbia.

We will continue our work on the safety of children and young people and help educators by upgrading the platform "I keep you safe", which was established in March 2021 as the first national platform for all issues of protection and prevention of violence involving children and

secondary school students. This platform, which unites the work of seven Ministries in one place, integrates all the necessary aspects of essential prevention and tools for combating violence involving children, either as victims or perpetrators of violence. In addition to peer violence, which is the focus of this platform, this tool will also help us in the fight against violence against all employees in educational institutions throughout Serbia. In its second phase of development, currently underway, the platform will for the first time connect all the competent institutions for fighting violence, and thanks to it, every report at the national level, as well as the process of solving it, will be monitored in one place, and citizens will be able to safely use the platform to report any type of violence involving children and monitor the course of solving the issue. The platform currently has around 100,000 users of informative content and more than 50,000 users concerning the trainings especially created for students, parents, and school employees.

We will continue investing in pre-school education in order to provide infrastructure capacities and human resources for the greatest possible inclusion of children. In the previous term, in 63 local self-governments we provided 6,800 new places from the World Bank loan. Until March 2024, in 75 local self-governments we already have the allocated EUR 13 million for additional 4,200 new places. Moreover, the Government will continue to provide support to local self-governments to ensure additional places in kindergartens wherever the need arises. In the coming period, we will conduct trainings for developing digital competences of 12,000 practitioners in preschool education. Given that we have implemented a new programme concept, we are starting with a continuous evaluation of the impact, which will involve employees in preschool institutions as well as parents in order to see how children learn and master new skills at this age. We expect to see the first indicators during the 2023/2024 school year.

A radical change in the education system refers to amendments to the Law on Dual Education, the Law on Secondary Education and Education, and the Law on the National Qualifications Framework, which will undergo the adoption procedure immediately after the formation of the Government. The initiative to introduce a dual model of education originated in the business sector, and the key participants and those who should benefit the most from this system are students. Through this model, students make contact with a real work environment where they develop professional competences and gain professional experience, and in the process also follow modern technological developments. So far dual education has proven to be one of the most successful innovations we have introduced, and in the coming period we will focus on increasing the coverage of dual education. In the context of supporting intensive development of dual education, the key legal changes we are planning include: an increase in the number of hours of learning through working in a company, cooperation of students with companies exclusively in the dual education system, introduction of dual education into informal education, support for the development of current qualifications harmonised with the European qualifications in order to facilitate workforce mobility, as well as introduction of the concept of regional training centres into the aforementioned legislation. We are currently planning for a loan from the German Development Bank (KfW) worth EUR 50 million to support the development of dual education. Using the funds from this loan we will construct a new building and equip the Technical School in Stara Pazova, and reconstruct and equip the Railway School in Belgrade. As soon as possible, we will verify the Regional Training Centre in Valjevo, in accordance with the needs of the business sector. We expect the signing of the loan agreement with the EIB, worth EUR 20 million, by the end of 2022. This loan will finance the construction, reconstruction and equipping of the future regional training centres in Subotica, Vlasotince, Požega, Kula, Pančevo, Vrnjačka Banja, Zaječar, and Novi Sad.

We are particularly proud of the success of the “My Secondary School” platform, which was launched for the first time in 2021, unifying and digitalising all the processes related to the completion of primary school and enrolment in secondary school. After significant improvements in the process of conducting the final test for completing primary school, which the Government of the Republic of Serbia worked on with the Ministry of Education, Science and Technological Development and the Office for IT and eGovernment in previous years, this year the final examination for completing primary school and providing information on the “My Secondary School” portal went without a glitch for the first time. In previous years the parents had to go to eight different places to complete everything necessary and submit documents for secondary school enrolment, but now they can do everything electronically. For the first time this year, the students were also able to prepare for their final exam via the e-Exercises function on the same portal. Made available by the Institute for Education Quality and Evaluation, e-Exercise was launched on 10 June, and by the end of June this year, almost 300,000 tests, or nearly 6 million tasks, were completed in preparation for the final exam. We are also continuing work on improving the process of completing primary school and enrolling the secondary school, and we have already started planning new improvements for the “My Secondary School” platform. In the following period, we are going to work on changing the third, combined test, for the final exam. We consulted students, teachers and parents, and the combined test will be replaced with individual tests in 5 different subjects, and students will be given the choice which subject they will take as the third subject to be tested in. This will require serious and complex changes in the entire concept of conducting the final exam, but we want to meet the needs of students and parents. We will develop the functionality for choosing the subject for the third test at the final exam by December 2022. Also, the community of schools for children with developmental disabilities initiated changes in the implementation of the final examination, so we will take those changes into account as well.

We plan to introduce regular national testing for children of primary school age as of the next school year. The working group formed by the Institute for Education Quality and Evaluation will establish the rules, but the results of national testing will serve for the overall insight into the knowledge of our students and the success of individual schools. These results will be integrated into the Unified Information System of Education (JISP) and published on the Ministry’s open data portal.

We will continue to upgrade the JISP and connect it to other systems. According to the previous Government’s programme, we planned to establish the JISP by April 2021, which would for the first time enable a comprehensible overview of our entire educational system and making informed decisions about strategic investments, so that the educational system will adequately respond to the needs of modern society and economy. This system was launched in February 2021, and in March 2022, the open data portal of the Ministry of Education ([opendata.mpn.gov.rs](http://opendata.mpn.gov.rs)) was created, where statistical data from the JISP is published for the citizens to view. We connected this system with the Central Register of Compulsory Social Insurance (CROSO), and now every citizen can get reliable information about the average length of waiting for a job and the first salary for every study programme or secondary school profile. Currently, the indicators are such that, at the level of higher education, 69.9% of the students graduating in 2020 are employed. The average time until employment for those 69.9% of the employed graduates is 4.7 months. The average first salary of our graduates is RSD 106,506. The least frequent type of employment for graduates is sole proprietorship. Such data, but also much more detailed data, are now available to citizens for each secondary school profile, as well as for

individual study programmes, with the aim that future generations have the opportunity to choose their profession based on precise indicators. At the same time, the Government of the Republic of Serbia will use this data for future reforms within the educational system. By January 2023, we will connect the JISP with the National Accreditation Body (NAT), which will serve to regulate to a significant extent and define conditions for the process of accreditation of higher education institutions. Reforms at all levels of education, as well as quotas in higher education, will be based on this data in the future.

In cooperation with the Public Investment Management Office, in the period from 2020 to 2022, 60 primary and secondary school buildings were completed in 51 local self-governments, worth RSD 15.5 billion. Work is underway on 183 school buildings in 102 local self-governments, worth RSD 21.1 billion. In this term of office, we will especially focus on improving the infrastructure through the construction of new buildings, as well as on increasing the energy efficiency of the University of Belgrade buildings.

### *Youth*

We believe in the unquestionable presence of a broad social consensus in both individuals and the country at large, continually persisting regardless of time, social, economic, political and any other real-life framework, that young people are the most important aspect of the present, and that it is on their engagement, education, motivation, determination and hard work that the future of the society depends on. We believe that young people are the resource of innovations and the driving force of the development of any society. In the Republic of Serbia, almost 20% of the population is made up of young people, i.e. persons from 15 to 30 years of age. It is necessary to continuously and systematically invest in them and create conditions for quality of their life in Serbia, which is the priority of this Government. This Government will continue to work intensely on this, because the future of the society as a whole depends on the achievements in this domain.

We are soon to adopt the Law on Youth, as the most important legal act for the position of young people in Serbia. After the formation of the Government, we expect to adopt the National Youth Strategy until 2030 as soon as possible. This act will be the result of a one-year transparent consultation process with all the stakeholders in order for the ideas and needs of young people to be heard. Our goal is to additionally, by adopting such documents, improve the existing institutional mechanisms in youth policy in the coming period, regulate issues related to youth work, spaces for young people, institutions for young people, as well as the system of funding and co-funding programmes and projects of public interest in the youth sector.

The position of young people in the society is determined by their position on the labour market, because their further professional development, as well as their private life and enjoyment of civil rights in full capacity, depend on whether they are employed and in which sector. Even though, when looking at the statistical indicators, the position of young people on the labour market saw an improvement in the previous years (unemployment of young people aged 15 to 24 was 51.2% in 2012, and 18.7% in the second quarter of 2022), we must intensify a systemic and coordinated support and help young people to improve their opportunities for a successful (and dignified) transition from the educational system to the world of work. The “Youth Guarantee” is a programme by which the EU seeks to respond to youth unemployment, through the cooperation of various sectors and social partners, and includes opportunities for quality job

offers, continued education, apprenticeships, or traineeships, within 4 months of becoming unemployed or immediately after completing formal education. By ratifying the Western Balkans Declaration on ensuring sustainable labour market integration of young people, we accepted that we will work on the gradual introduction of the “Youth Guarantee”. We will adopt the implementation plan by the end of 2023, and then we will move on to the preparatory actions related to building the commitment and capacity of the competent authorities, providing the necessary human resources and infrastructure, amending the normative framework, preparing the framework for monitoring and evaluation, preparing the outreach model and implementing all other activities assessed as necessary for establishing the “Youth Guarantee” and transition to the pilot phase in 2024.

Perhaps this past period, with all its challenges, showed the importance of solidarity and how necessary it is, even to those who are not always aware of it. We are especially proud that it was the young people who proved that they were aware of this and that they were indeed a solid and indispensable pillar of the society. Volunteering is and should be the basis of social engagement, and deserves to be presented as a shared value of the entire society, as it contributes to the well-being of both the individual and the entire society. At the initiative of the young people, together with the Ministry of Labour, Employment, Veteran and Social Affairs, we have prepared the Law on Volunteering, the public debate has been completed, and we expect its adoption during the term of office of the future Government.

It is extremely important for us to provide support to young people so that they remain in their communities. According to the survey conducted by the Youth Umbrella Organisation of Serbia (KOMS) in 2021, 82.1% of local self-governments do not have a youth club, 48.3% do not have a functional Youth Office, and 35.9% of them do not have funds earmarked for young people. Therefore, together with youth organisations, we will work on establishing youth centres in local self-governments, which will entail obtaining certificates and integrated services for the young people. Following the example of Novi Sad, Mionica, Niš, Sombor and Subotica will be the first local self-governments where we will provide support for the reconstruction and equipping of facilities for these purposes, in the total value of EUR 1.5 million. After them, we expect the continuation of this initiative in other towns and municipalities.

The Law on Traineeships will be introduced into the legal system of the Republic of Serbia for the first time, and the 2014 Recommendation on a Quality Framework for Traineeships by the EU Council of Ministers, with the basic elements ensuring the quality of traineeships, was taken into account when developing normative solutions. The scope of the Law includes persons up to the age of 30, maximum traineeship duration is 6 months, and one person can only have traineeship with the same employer once. By acquiring work-specific knowledge, certain skills and practical experience, their competences and opportunities for employment on the labour market are improved. Traineeships represent an effective instrument for establishing an employment relationship for all young people. In this way, the employment of young people after leaving school will be accelerated in the Republic of Serbia. On adopting the aforementioned law, the labour market indicators for young people are expected to improve (increase in the rate of employment and activity), and the NEET rate (persons who are not in education, employment, or training) is expected to drop.

Two cycles of the programme “My First Salary” included the total of 17,700 young people (8,463 in the first cycle, and 9,237 in the second cycle) who had completed their secondary or higher education but had no work experience. During the first cycle they gained their first work

experience, receiving training with 5,177 employers. In the second cycle, which is still ongoing, slightly more than 5,471 companies are participating. Of the 8,463 young people who received nine-month training in the first cycle, according to the NES data, 3,945 of them got a job, i.e. almost a half (47%), while 2,114 of them, or every fourth young person, got a job with the employer where they had received training.

We announced that the priority will also be youth entrepreneurship and simplifying the business operations for young entrepreneurs and sole proprietors. More than 83,000 new businesses (18,757 companies and 64,429 sole proprietorships) were registered in Serbia in the past two years (2020 and 2021). Of the 64,429 newly registered sole proprietorships in the past two years, 39% (25,271) are young people aged 18 to 35. The strengthening of youth entrepreneurship was largely contributed to by the general improvement of the business environment, targeted Government projects aiming to encourage entrepreneurship, and active support measures, such as the Development Fund programme specifically intended for young people and women (the programme was launched as a pilot in 2021 with the planned RSD 100 million, and continued in 2022 with the additionally allocated RSD 100 million), then the Start-up Programme of the Development Fund, the Programme for promoting entrepreneurship and self-employment, the National Employment Service Programme aimed at encouraging self-employment, as well as other public-private programmes supporting technological and innovative solutions.

### *Diaspora*

In the previous term of office, we achieved many important things for our people in the diaspora. We supported the establishment of the “Point of Return”, and for two and a half years now we have been cooperating with this efficient contact point for all our people who are thinking about returning to Serbia or connecting to the Serbian society and economy. During that time, this organisation was in direct communication with over 8,500 of our people living abroad, and launched initiatives to create better conditions for their return.

Just a few weeks ago, we presented a certificate of appreciation to the first beneficiary of the “Carta Serbica” programme initiated by the “Point of Return”. Thanks to this programme, it is for the first time now that the second, third or fourth generations of our people born abroad, who do not have our citizenship, can apply for temporary residence on the basis of their Serbian origin, and so live and work in Serbia. This amendment to the decree is especially important also for our people who live in large diaspora centres, such as Austria or Germany, and other countries that do not allow dual citizenship.

In addition, also in cooperation with the “Point of Return” and the Poštanska Štedionica Bank, and at the initiative of our people from abroad, there is now a special financial product that facilitates purchasing real estate in Serbia from abroad, which many people will use as an investment opportunity and the first step towards returning to the country.

The Directorate for Cooperation with the Diaspora and Serbs in the Region has been supporting our associations in the diaspora for years: this year 141 projects were supported in 21 countries of the world, for which almost RSD 42 million was allocated from the budget, and 23 new additional Serbian language schools were opened in the diaspora: in Austria, Russia, Malta, the Netherlands, Spain, and Portugal, and about 1,000 new students were enrolled.

Serbia is no longer just a country of emigration, but a country of circular migration and immigration as well. In its major survey, the Vienna Institute of Economics estimated that in the period from 2015 to 2019, Serbia had a net influx of 90,000 highly educated people into the country, which shows the strength of our economy and the direction in which Serbia is moving. In addition, in the last 5 years, we have seen a constant increase in applications made by foreign citizens wishing to reside in our country, so today more than 57,000 foreigners live and work in our country.

### *Science*

During the previous term of office, the Strategy for Scientific and Technological Development of the Republic of Serbia for the period from 2021 to 2025, “The Power of Knowledge”, was adopted, with the Action Plan for the period 2021-2023. The new Strategy provides an answer to the question on how the quality of life of citizens can be improved by means of science and technological development, since knowledge is a reliable foundation for future economic progress, development of education and preservation of health, safety and national identity in the Republic of Serbia. The goal is for this Strategy to contribute to the scientific-technological and innovation system playing a role in the accelerated development of Serbia and further integration into the European Research Area, as well as to empower scientific and research institutions to be recognisable at the regional and European levels and capable of independently solving complex problems, to point to the leading researchers globally recognised as well as research teams capable of participating in various projects. The Strategy pays attention in particular to the societal challenges in the areas of health and standard of the citizens; food and water; security and defence; energy, environmental protection and climate change; fostering national identity, and improving responsible decision making for the country and its citizens.

The Law on Science and Research adopted in 2019 governs the system of science and research in the Republic of Serbia. This Law ensures institutional funding for institutes, strengthens the institutes of national importance, provides mechanisms for establishing new institutions, more efficient monitoring and evaluation of the activities of the institutes, and more efficient work of bodies and commissions. The Law aims to improve the efficiency of allocation and use of all scientific research and development resources, and build and further develop an innovative, knowledge-based society. The Programme for Institutional Funding of Accredited Institutes founded by the Republic of Serbia, autonomous provinces, units of local self-government as well as the institutes founded by the Serbian Academy of Sciences and Arts (SANU), and the Programme for Institutional Funding of Institutes of National Importance for the Republic of Serbia, were adopted In February 2022. By way of the aforementioned programmes, we have ensured a stable employment and the rights for researchers at accredited schools, and also provided priorities and indicators for evaluating the activities of accredited institutes.

The Science Fund of the Republic of Serbia was established with the aim of providing answers to various social challenges: technological development, support to progressive ideas, human resources development, construction of scientific infrastructure, integration into international scientific mainstream, cooperation between science and business, and more. The establishment of this institution meant the implementation of one of the strategic goals in the field of science and research, reflected in the encouragement of excellence and relevance of scientific research in the Republic of Serbia through project financing. In the previous period, a number of programmes were successfully implemented: the programme for excellent projects of young

researchers (PROMIS), the programme of support to the development of projects in artificial intelligence (PRVI), the programme of cooperation between Serbian science and the diaspora – vouchers for knowledge exchange; the IDEAS programme; and a special COVID-19 research programme. Through the public calls of the Fund for Science within these five programmes, 282 scientific projects were approved, with 1,737 researchers participating. For the financing of all these projects, EUR 43.9 million were provided, to be invested into the work of researchers, equipment, materials, publications, international cooperation and scientific research organisations. The implementation of three more programmes is underway: the IDENTITIES programme aimed at developing scientific research in social sciences and humanities; the Green Programme of Cooperation between Science and Industry, aiming to provide support to scientists to carry out applied research of importance for the business sector and to influence the reduction of environmental pollution; and the PRIZMA programme, where researchers can propose topics from all fields of science.

During 2018, we launched a programme of public calls for employing young talented researchers, students of doctoral academic studies. So far five calls have been announced, and 1,951 young researchers have been employed. This trend will continue in order to give young people a place and an opportunity to contribute to the scientific development of their country and stay in Serbia.

The tasks of the new Government in the field of science will be:

- a) Full functionality of the eScience information system, which aims to provide a single point for the entire scientific production and enable the evaluation of scientific results of the institutions. The new system establishes the register of scientific research organisations (NIOs), the register of researchers, the register of scientific equipment, and introduces repositories of scientific results, which will make the work of the NIOs significantly more visible to the domestic and international public, which is especially important for the development of international scientific cooperation. The data in the system will be obtained from administrative sources, which will further increase the level of reliability and accuracy of data, especially library data from library software used by the institutions. In addition, the system enables all procedures in scientific and research activities to be carried out electronically, in a paperless manner, within significantly shorter terms and in a more transparent manner, to the benefit of both researchers and institutions; this refers primarily to the NIO electronic accreditation procedures, the selection for positions, and the work of relevant boards.
- b) Adoption of a new decree on norms and standards. The decree will define the salary coefficients for researchers and scientists.
- c) Establishing the portal for cooperation between science and businesses. Through this portal, the NIO will present the equipment and services that can be offered to the industry.

In the field of innovation infrastructure, the Government of Serbia will work on completing the construction and equipping of the BioSense Institute in Novi Sad. We expect the opening of the new Institute building in the first quarter of 2023. Agriculture faces enormous challenges today. Not only must it provide enough safe and healthy food for the growing population of our planet, but it is also expected to offer alternatives to fossil fuels and protect non-renewable resources

such as soil, water and energy sources. Competing with around 200 projects from all over Europe, the BioSense Institute of the University of Novi Sad ranked first in Europe as the best rated project within one of the European Commission's most prestigious calls, "Horizon 2020". We are investing EUR 28 million in the BioSense Institute, of which EUR 14 million from EU funds, and EUR 14 million from the budget of the Republic of Serbia, as national co-financing. The Institute BioSens represents the European Centre of Excellence for advanced technologies in the field of sustainable agriculture. Through creating about 150 new jobs in science, conditions will be created for the best young experts to stay in the country and also to additionally attract international researchers.

During 2023, the works on the construction and equipping of the Centre of Excellence of the University of Kragujevac are to be completed. The total value of the project of building and equipping this centre is about EUR 18 million, of which only the equipment is EUR 4 million. It is an important project for Kragujevac and Šumadija and, after the construction of the State Data Centre in Kragujevac, it will further confirm that we are counting on gifted scientists, researchers and students from that part of Serbia.

### *Biotechnology*

Industrial revolutions are breakthroughs of human civilisation, and one such breakthrough is already happening now, with the development of artificial intelligence, robotics and biotechnology. In the previous revolutions we were only consumers of new technologies. Instead of that, now our new goal is to participate in the developments and become leaders in new technologies in the areas where we already have outstanding experts and institutions, such as the Institute of Molecular Genetics and Genetic Engineering. This is where the role of science for the faster growth and development of Serbia is absolutely crucial.

The biotechnological and pharmaceutical industries represent the fastest growing industries today, with a further tendency of accelerated growth. Apart from their clear contribution to improving human health, these industries are economically highly prosperous. That is why the investments in research and development in those areas of the industry are larger than investments in all other industries, including the military, the aviation industry and, in recent decades, the IT industry.

This is exactly the reason why in the coming years we will work on enabling the development and application of new biotechnologies in Serbia. Our goal is for this industry to account for 3 to 5% of Serbia's GDP in a few years. It is important to point out that it is a prestigious industry in terms of technology and knowledge transfer, employing highly qualified workforce, as well as the latest technologies. Thanks to the development of this technology, we will ensure better availability and more efficient application of innovative medicines to patients.

We will work to promote scientific research in this important and modern area through connecting science and business, development of the BIO4 campus (for biotechnology, biomedicine, bioinformatics and biodiversity), but also through providing superior infrastructure. Our science already shows that it can generate new and innovative solutions that will be applied in healthcare and thus contribute to the well-being of citizens, and our role is to provide support and encouragement for further development and for the knowledge and technology transfer process.

The BIO4 Campus in Belgrade will bring together 4 faculties, 8 scientific institutes, the extension of the Science and Technology Park for biotechnology startups and the business park for research and development departments of national and global pharmaceutical, medical and biotechnology companies in one place. This visionary project will additionally positively change the living conditions in our country, advance science and education, but also strengthen our economy, competitiveness, and be the centre of Serbia's economic development in the years and decades to come. The BIO4 Campus, whose concept we worked out in detail in the previous two years, and whose construction is to begin in 2023, is already setting completely new standards of cooperation between science and businesses, as well as of mutual cooperation between scientific and higher education institutions. I believe that this is an example that will transform our science in the direction of a more efficient and successful technology transfer, and therefore significantly greater funding of science. Finally, as part of this initiative, and guided by this vision, in the previous term of office we established the Centre for Genome Sequencing and Bioinformatics within the Institute of Molecular Genetics and Genetic Engineering, so that we could, relying on our own knowledge and capacities, conduct genetic analyses, and thus improve diagnostics, respond more quickly and accurately in cases of pandemics, or enable timely and effective treatment of rare diseases, such as spinal muscular dystrophy, or other genetic diseases.

With the growing importance of biological therapies, national research and development activities and in-country production are also gaining importance. Serbia wants, through the format of the BIO4 campus and in other ways, to be a place of creation and production of modern biological, cell and gene therapies for its citizens, and we will work on that in this term of office.

All in all, through greater investments from the budget and the business sector, by 2030 Serbia will reach the level of 2% of GDP in investments into research and development, which will contribute to faster growth of the innovation-based economy. By then, we expect that the export of ICT services from Serbia will exceed EUR 10 billion. By 2030, Serbian bioeconomy is expected to generate annual income of more than EUR one billion, and we expect that several start-up companies, with the application of artificial intelligence, will reach the value of EUR several billion. In 2030, Serbia will complete the BIO4 Campus and have at least 6 science and technology parks, since in addition to the existing ones in Belgrade, Čačak, Niš and Novi Sad, parks will also be built in Kragujevac and Kruševac, while parks in Belgrade, Čačak and Niš will be further expanded.

### **2.3. Modern healthcare**

In the previous two years, the reconstruction of 9 primary healthcare centres and outpatient offices was completed, the reconstruction of another 9 premises is underway, as well as the procurement for renovating additional 2 primary healthcare centres. This means that in the course of two years, we renovated 20 primary healthcare centres, which is almost 13% of healthcare institutions of this type in Serbia.

We promised to rebuild and build 20 general hospitals and healthcare centres. We have completed 18 general hospitals and clinics, the reconstruction/construction of 3 general hospitals and one clinic is underway, the procurement procedure for the reconstruction of 6 more buildings

is underway, and 2 more procurements for secondary and tertiary healthcare institutions are being prepared.

We promised the completion of the first phase of the Clinical Centre of Serbia (KCS), which has been done, except for the nuclear medicine part, which will be ready by the end of this year. The first phase included the reconstruction and construction of 86,000 sqm of space, which includes an in-patient facility with 500 beds and a surgical block with 24 operating rooms. All the equipment necessary for the functioning of the KCS has been acquired and installed. Work is underway on the surgical block with 14 more operating rooms, a bone marrow transplant clinic, an organ transplant clinic, and other premises, with a total area of 12,000 sqm. The estimated funds needed for completing the works on the area of 34,000 sqm, and the entire second phase is EUR 50 million.

We promised the start of works on the reconstruction and construction of the Clinical Centre of Vojvodina. Reinforcement of the structure, steel roof construction, extension of the building with annexes and external installations, installing plasterboard walls, completion of the facade design, installing the medical gases system, as well as works on power supply have been completed. The deadline for the completion of the works is September 2023.

At the beginning of the term of office of the last Government, we expected the completion of the tender for the construction of the Clinical Centre Kragujevac, which is to be 30,000 sqm in area. Due to the process of discussing arrangements with the creditor, the European Investment Bank (EIB), the tender has not yet been finalised. The final consent of the EIB is expected, and then the tender procedure will continue.

We promised the start of the construction of the new University Children's Clinic, Tiršova 2, and we started the preparatory works.

At the beginning of the term of office of the previous Government, we defined as a priority the completion of two new COVID-19 hospitals, in Belgrade and in Kruševac. We built three completely new COVID-19 hospitals, in Belgrade (Batajnica), Novi Sad and Kruševac. Two completely new laboratories ("Fire Eye") for detecting the coronavirus were built in Niš and Belgrade, and we have increased our capacities for COVID-19 testing hundredfold.

We have promised to invest significant funds in increasing salaries in the healthcare system. From 2020 to date, the salary of a specialist doctor has increased from RSD 105,897 to 120,086, while the salary of a nurse has increased from RSD 54,166 to 61,424, which represents an increase of 13.4 % in two years, for both specialist doctors and nurses. In the last 10 years, the base salaries of nurses and technicians have increased by 104%, and the salaries of doctors by 91%.

The programme for employment of young healthcare workers made it possible for 2,991 healthcare workers (1,341 physicians and 1,650 nurses) to be employed in our healthcare institutions. Of that number, 811 medical doctors, best graduates from state-owned medical schools, with an average grade above 9.50 out of 10, in addition to being employed, were also enrolled in specialist and doctoral studies under the Ministry of Health Programme for employing best medical graduates.

In 2012, the healthcare system of the Republic of Serbia failed to meet the evaluation criteria as part of the Euro Health Consumer Index (EHCI), and in 2014, Serbian healthcare system was by far the worst rated on this list. Today, the healthcare system of the Republic of Serbia is ranked 18<sup>th</sup> in Europe, from among the 35 countries of the old continent, according to the results of the Euro Health Consumer Index (EHCI). Such a result means that Serbia has become a leader in the region when it comes to healthcare, ranking higher than 14 EU countries: Spain, Italy, Slovenia, Ireland, Croatia, Cyprus, Malta, Lithuania, Greece, Latvia, Bulgaria, Poland, Hungary and Romania. The coronavirus pandemic confirmed this achievement of the healthcare system of the Republic of Serbia. It managed to cope despite the challenges of the epidemic, unlike some healthcare systems in developed European countries, because during the previous 7 years significant financial resources were invested in it, the personnel structure of healthcare workers was strengthened every year with several thousand newly employed young doctors and nurses, and because our healthcare system was run in a planned, expert and professional manner during that period.

In March 2022, the procurement of 329 state-of-the-art ambulances was completed, which represents the largest procurement of ambulances in the history of Serbian healthcare. Also, in 2021, 2,080 state-of-the-art hospital beds were procured and delivered to health institutions, which is the largest procurement of hospital beds in the history of Serbian healthcare. In 2022, the Ministry of Health concluded a contract for the procurement of 190 state-of-the-art diagnostic devices for 167 healthcare institutions in Serbia, which represents the largest procurement of X-ray devices and CT scanners in the history of Serbian healthcare. The total of 135 digital X-ray machines worth almost EUR 18 million will be installed this year in 120 healthcare institutions, and healthcare workers will be trained to work on them. By the end of 2022, 55 state-of-the-art CT scanners with two and three workstations will be operational in 47 hospitals, after the training of healthcare workers is completed. Moreover, from 2020 to 2022, additional 13 CT scanners and 18 X-ray devices were acquired, which in total represents 68 CT scanners and 153 X-ray machines that Serbia acquired in the period from 2020 to the end of 2022. Compared to 2019, when Serbia had 82 CT scanners in use, the acquisition of 68 new CT scanners in the period of 2 years increased the capacities by 83%.

At the beginning of the term of the previous Government in 2020, we promised that a unique electronic health record would be available to all citizens of Serbia, which would contain data from all the health institutions and be available to citizens at any time, and to their doctors whenever they need it. We announced that we will work to ensure that healthcare data are digitalised and available where needed, and that all healthcare institutions are connected in a single system that will enable the exchange of all relevant data. Today, we have an e-Health portal and a mobile application allowing citizens to access medical reports from most state-owned healthcare institutions (integrated 84%). Chosen doctors have the option to access the medical reports of their patients from other health institutions in the public sector. Through the e-Zdravlje (e-Health) portal or a mobile application, citizens can view the list of prescribed medications and make an appointment with their chosen doctor. In Serbia, 90 million electronic prescriptions are made electronically per year, and plans are being made for the integration that will enable private sector healthcare institutions and private practices as well to be connected through the e-prescription system.

Serbian healthcare system is undergoing a transformation, and citizens can expect that, with continued investment until 2030, they will have access to the cutting edge treatment methods, as well as that by investing in science and biotechnology, we will slowly move towards providing

personalised therapies. Modern healthcare involves integrated information systems in the healthcare system, providing up-to-date and complete data as well as digital services, and enabling safe access and sharing of healthcare data which thus contributes to the quality, efficiency and availability of health care for the citizens of the Republic of Serbia.

The citizens of the Republic of Serbia and their health are the primary focus of the Programme and Action Plan for digitalisation in the healthcare system. One of the first priorities is the improvement and optimisation of current technological solutions and processes that are essential for providing health care, but which are not efficient enough or require unnecessary engagement of citizens and healthcare workers.

One of the big and important results we plan to achieve is the optimisation of the waiting list. In the past period Serbia invested a lot in healthcare infrastructure and equipment, and we can no longer allow the situation where citizens wait for months, or even years, to receive the diagnostic procedure or therapy they need.

In addition, we will make it possible for specialists to create and send electronic referrals as well as electronic prescriptions without the need for the patient to see their chosen doctor again. We will allow issuing electronic prescriptions for medicines from private practices, as well as electronic prescriptions for medical devices. We will also establish the possibility of telemonitoring in order to monitor patients' status remotely, via digital systems.

Another important novelty for citizens and the businesses is the sick leave notification for employees and the calculation of salary compensation, which will be done through the electronic service eBolovanje (e-Sickleave) on the eUprava (e-Government) Portal as of next year. The employee will inform the employer through the chosen doctor that he is temporarily incapacitated, and the employer will be notified electronically when the employee will return to work. The system will enable the employer to easily monitor the number of days of the employee's sick leave absence from work, and also to start the procedure for calculating the salary compensation from the budget when necessary. Through the same service, the employer will be able to report an injury at work to the competent authorities when it occurs. After a number of systems, including the RFZO (National Health Insurance Fund), Administration for Safety and Health at Work, Labour Inspectorate and other relevant entities, are connected, the employer will meet his obligations in a simple way, and communicate with everyone through one service.

We will facilitate the work of healthcare workers by implementing new IT solutions, which include automated checking of drug interactions during electronic prescribing of medicines, artificial intelligence assistance to radiologists in the radiological diagnostic process, the use of digital guides to good practice and clinical pathways, the use of smart algorithms in diagnostics, and automated checking of laboratory test results.

Decisions that healthcare workers make every day, decisions on matters of importance for public health, as well as decisions related to the management of the entire healthcare system, depend entirely on the timeliness and completeness of the data serving as the basis for decision making. That is the reason we will work on improving and establishing up-to-date digital data records, including health data, records on equipment, medicines, medical devices, and capacities of healthcare institutions. Regularly updated digital data records will enable us to make decisions based on facts and to plan and implement in a timely manner the best decisions in the public

health domain, in the healthcare system management, as well as for prevention, health and well-being of every citizen of the Republic of Serbia. Such up-to-date and standardised data will make way to the use of data for research and development, for clinical studies, and for the purposes of developing domestic solutions based on machine learning and artificial intelligence. Today, Serbia stores 200 million digital images in the central system, including over 3 million digital X-rays of the lungs that can be used for potential lung cancer and tuberculosis screening with the help and assistance of artificial intelligence. The Action Plan 2022–2023 provides for the work on improving the communication and technological infrastructure in the healthcare institutions, as well as on providing reliable and fast communication links between healthcare institutions and joint services in the State Data Centre, and also on ensuring joint technical support.

With the support of the newly founded Centre for the Fourth Industrial Revolution of the World Economic Forum, and using the capacities and knowledge of the Institute for Oncology and Radiology of Serbia and the IMGGI (Institute of Molecular Genetics and Genetic Engineering) Sequencing Centre, we will also start with the genetic screenings for breast cancer, other cancers, and cardiovascular diseases. Already during the next year, we will provide free genetic testing for breast cancer to girls and women who apply for this type of test and where there is a suspicion of a hereditary factor for a breast tumour. According to the data from the Institute for Public Health of Serbia “Dr Milan Jovanović Batut”, breast cancer takes more than 1,600 lives a year. Of the women newly diagnosed with breast cancer, between 20% and 30% are under the age of 50. According to the number of deaths from breast cancer per capita, our country unfortunately ranks second in Europe, the reason for that being precisely this late detection of breast cancer. That is why we will work on early and timely detection of genetic predispositions, which will allow us to monitor and treat this disease in time.

We will establish the first Gene Bank in this part of Europe. By establishing the gene bank, we will, first and foremost, protect and preserve the genetic data of our citizens. By developing the necessary legal framework and infrastructure, we will enable the genetic data, which until now often went to laboratories in other countries, or ended up on hard drives in drawers, to be stored in a safe manner in the State Data Centre, to be available to patients or their doctors.

The development of healthcare and medicines is taking the direction of personalized medicine, that is therapies and protocols adapted to each individual patient, and based on genetic analysis: genetic analysis for the detection and treatment of rare diseases or genetic predispositions for the development of tumours. The development of such a database of genetic knowledge about us as patients will be of great help to doctors; it will enable better prevention, diagnosis and treatment efficiency, but it will also make it easier for scientists to acquire new knowledge needed for further developing biotechnological solutions in healthcare and pharmaceutical industry.

Modern health care entails also the development of a large number of new technological solutions that will bring economic benefits to our country, better health care, and better quality of life for the citizens. Such solutions can come from anybody, and we will do our best to ensure that new, creative and innovative ideas can be connected to our e-Health system so that, with the permission of patients and in a precisely defined way, they can use the data and provide a specific service. In a world where we generate health data on smart devices even when we sleep, we have to find a way for our citizens and our innovators to benefit from this wealth of data.

Because of all this, in the coming years, the healthcare system of Serbia will have to undergo accelerated evolution in order to realise the great potential it possesses, aiming both at a better

quality of life of citizens and faster economic growth of the country. Part of that evolutionary change will be tighter connections, primarily of software type, between public and private healthcare systems, by allowing an unhindered but controlled flow of data, and then by process integration and cost optimisation between these two systems.

All the citizens of Serbia must receive a more efficient, more reliable and better quality service for their investments in the healthcare system, and we will achieve this primarily by applying new technologies and new, more efficient ways of working.

An important part of healthcare modernisation is also broad modernisation of the legal and institutional frameworks, which must recognise the new reality of the 21<sup>st</sup> century, related both to the progress in information and communication technologies and data management in the healthcare system, and to the recognition and application of new therapeutic methods, at times very different from the medicines we are traditionally used to. This is an extensive process, because the field of healthcare is extremely complex, and the changes taking place are essential and profound; however, I firmly believe that by the end of the term of this Government, we can have a modern, progressive legal framework that will enable not only the application of the latest technological achievements today, but also support accelerated development and implementation of innovations that will enable the citizens to live longer, have better quality lives, and the healthcare system will function with greater efficiency and lower costs.

#### **2. 4. Continuation of digitalisation and development of robotics and artificial intelligence**

##### *Continuation of digitalisation*

In 2017, five years ago, we presented our vision of a modern, efficient and digitalised public administration. The results of our efforts to realise that vision were recognised globally this autumn, since in the recently published United Nations report, Serbia was for the first time included in the group of countries with the highest index of electronic administration development. Today, in terms of the development of e-Government, Serbia is by far the best ranking country in the region, and better positioned also than some EU member states (Croatia, Hungary, Bulgaria, Romania, the Czech Republic, and Slovakia). Serbia is one of the 10 countries in the world that have made the most progress in the field of e-Government over the last two years.

Only by *ex officio* exchanging data during the previous term of office, we spared the citizens and the economy from 100 million trips to various counters and offices. Since the establishment of this system, thanks to the electronic exchange of data within the administration, citizens and businesspeople did not have to wait in lines the total of 120 million times so they could exercise their rights and meet their obligations. We delivered more than 1.4 million documents electronically, instead of by regular mail, to the e-Sanduče (e-Inbox) of the e-Government Portal. We allowed for the generation of pay-in order forms and enabled the electronic payment of fees and charges for over 7 million services. Thanks to the project to improve the Address Register, more than 50,000 new streets were named, and house numbers were determined for half a million buildings. The Real Estate Cadastre was improved, and a one-stop system of registration in the real estate cadastre with the public notary was introduced, which shortened the deadline for making a decision on registration, and the procedure became much simpler for the citizens.

We made it possible for persons with disabilities to apply for a parking sticker electronically and receive it at their home address, instead of going through the bureaucratic agony of collecting a long list of necessary documents at the counters.

In order to adapt electronic administration to the demands of modern life and the need for mobility of our citizens, we ensured that they can sign documents electronically, using a mobile application and a qualified certificate in the cloud. This service is free, and puts Serbia side by side with the most digitally developed countries in Europe.

The value of the online services index in this year's United Nations report means that Serbia ranks 26<sup>th</sup> among the 193 UN member states, better than highly developed countries such as Canada, Switzerland, Norway, as well as most EU members. This position in the global report also represents a clear signal to domestic and especially foreign investors that by establishing electronic services, we significantly facilitated doing business, increasing transparency and thus shrinking the room for corruption.

Efforts in the field of e-Government, in addition to improving the quality of life and doing business in Serbia, make our country and our administration more efficient and greener: the electronic way of working has so far saved over 40,000 adult trees, 15 million kWh of electricity, and almost 200 million litres of water.

Recognising the enormous potential of ICT for improving the efficiency of public administration and the quality of life of the citizens, we expected a lot from digitalisation, setting ambitious goals for e-Government. With undiminished enthusiasm, we continue on. We want to distance ourselves even more from paper procedures, procedures that consume time, because we want a state administration that is available to citizens at all times through their mobile phones.

By implementing the project for establishing an electronic clerk's office, we will improve communication and coordination within the administration and facilitate the communication of citizens and businesses with the authorities, thereby ensuring that they exercise their rights more easily. With the introduction of the e-Clerk's Office, we are getting a state-of-the-art tool that will track every file, case and citizen's petition, and enable citizens to check at any time the progress of their case. We expect the electronic clerk's office to further contribute to the transparency of the administration and enable it to fully serve its citizens.

We will continue to promote the use of electronic documents, electronic signatures and electronic stamp in the public administration. We will grant electronic stamps to every holder of public authority so that they can issue documents in electronic form. We will strive to enable that as many documents as possible, certificates, decisions, and the like, be submitted electronically, in order to enable e-Citizens to download documents in a timely manner even when they are not at home, when they are on vacation or on a business trip.

So far, 1.5 million citizens have demonstrated their willingness and desire to use services electronically by registering their accounts on the e-Government Portal. In the coming period we want to listen to them more, we want to include them in the design, to create concepts together, to create and improve services so that they meet their needs. We want citizens and businesses to contribute with their ideas, knowledge and creativity to the further improvement of our digital solutions, portals and electronic services, and thus the quality of life and doing business in Serbia.

We must create the conditions for all citizens of Serbia to join the digital society. To this end, we will go on with implementing the project of building broadband communication infrastructure in rural areas and continue to connect rural households, schools and other public institutions to the broadband network. Fast and stable internet will improve the quality of life in the villages, stimulate economic development, and provide citizens in rural areas with equal opportunities for education, life and work.

We want to make it possible for the towns of Serbia to become smart cities by applying modern methods and technologies, and we want to make our urban environments more efficient and economically, ecologically and socially more sustainable. For example, smart lighting can significantly reduce electricity consumption, traffic congestion can be reduced by smart guidance to optimal routes and free parking spaces in real time, infrastructure can be maintained more adequately and potential problems and dangers can be detected earlier thanks to the sensor system. In order for the smart systems and solutions to function as a whole, we will also establish a modern system for supporting and managing smart cities as a central point where all the data read from sensors, cameras and other equipment will be gathered. The first town where we will pilot this system is Kragujevac, where the potential and modes of applying smart solutions in public transport, parking services, water supply and sewerage, public lighting, garbage collection, are already being analysed, and the project is planned to include all the towns in Serbia.

In the period ahead we will continue to develop cross-border electronic services as part of the Open Balkan Initiative. The electronic identities of the citizens of North Macedonia, Albania and Serbia will be mutually recognised in order to provide access to the first electronic service within this initiative: Free Access to the Labour Market. Citizens will be able to electronically apply for free access to the labour market, and in this way ensure their residing and working in the host country, without any additional procedures.

#### *Development of robotics and artificial intelligence*

When, in 2016, the then Government of Serbia formed the Ministerial Council for Innovative Entrepreneurship and Information Technologies (IT), we set the goal of achieving 1.5 billion net exports of ICT services in 5 years. Although that goal seemed extremely ambitious at the time, I can proudly say that this year that goal will not only be achieved, but also exceeded. Our exports of ICT services has grown more and more every year, and today we expect to achieve exports of over EUR 2.6 billion by the end of the year, which is almost 4 times more than when we started six years ago with significant investments in IT and innovations, and 7 times more than 10 years ago.

In the past two years we have continued to invest in innovation infrastructure. We opened the new buildings of the Faculty of Electronics in Niš, the Faculty of Organisational Sciences in Belgrade, as well as the second phase of the Science and Technology Park in Novi Sad. We bought, and placed in the State Data Centre in Kragujevac, a supercomputer of the latest generation with a platform for the development of artificial intelligence (AI), and at the Institute of Molecular Genetics and Genetic Engineering we opened the Centre for Genome Sequencing and Bioinformatics.

Together with the World Economic Forum (WEF), we opened the Centre for the Fourth Industrial Revolution, second such centre in Europe, and in 2021 we opened the Institute for Artificial Intelligence in Novi Sad.

During the term of this Government we will also open the Science and Technology Park in Kruševac, and we will expand the parks in Čačak, Niš and Belgrade, because the number of startups in these cities already exceeded the existing capacities.

In the past two years we have continued to encourage the activities of research, development and creation of intellectual property. With this in mind, we adopted an extremely important tax incentive according to which employees working on these activities are exempted from paying 70% of salary tax and contributions. We also adopted the new Law on Innovation Activity, and additionally expanded the capacities of the Innovation Fund, raising also the investments in innovation through this Fund. We have worked hard to connect all the citizens, because only a connection to fast and high-quality Internet provides a ticket to the global labour market and better living conditions for all our citizens. As we promised in 2020, all the preparations have been completed to start the construction of the first phase of rural broadband Internet network, 1,500 km in length. The designs have been completed, construction permits have been obtained, and a construction contract for the first 600 kilometres has been signed. In addition, the tender has been published for the remaining 900 kilometres of the network in the first phase, and funding has been secured for the construction of another 4,000 kilometres of the network in the second phase. Our goal is that by the end of 2025, all of Serbia, every place and every village, will have fast and high-quality internet. For us, this is also a measure of balanced regional development.

In Serbia, there are currently 4 science and technology parks, in Belgrade, Novi Sad, Niš, and Čačak. The total investments in these facilities alone amounts to more than EUR 53 million, which clearly shows that innovation and science have been and will remain a priority of the Government. The total of 128 companies operate within the STP network in the Republic of Serbia, of which 72 are startups and 56 are technology-development companies, with the total of 1,785 employees. In the set of services provided by the STPs, access to knowledge bases is considered the most important, starting from access to human resources through employment and internship, via access to laboratory equipment, to joint research activities. Without the STPs being connected with the universities, scientific institutes and research laboratories, the companies located in the STPs cannot achieve a successful transfer of knowledge and technologies from research to practice.

As we announced at the beginning of the previous Government's term, over the last two years Serbia made significant efforts to develop our startups. Last year, we adopted the Startup Ecosystem Development Strategy until 2025, as well as the Action Plan for 2021-2022, which has been almost fully implemented so far. With the new Law on Innovation Activities, startups became part of the legislative framework of the Republic of Serbia, and by providing an additional EUR 15 million to the Innovation Fund, we launched the Serbia Ventures programme, through which the state invests into new venture capital funds. Last year, we also supported Telekom Srbija to launch the first alternative investment fund, and at the same time the first corporate venture capital fund in the country, TS Ventures. This fund is authorised to invest EUR 25 million in startups over the next five years.

In addition to the development of venture capital funds, we also invested into launching a startup accelerator, and the first such accelerator, named the Catapult, began operating under the auspices of the Innovation Fund. This accelerator, in addition to providing financial and mentoring support to startups, also encourages private investments into these innovative young companies, thereby further developing the investment environment in Serbia. In cooperation with international private and public partners, several extremely important projects for the development of startups in Serbia were launched, including StarTech, Start an Idea, Serbia Innovates, Raising Starts, Ninja Accelerator, and others. We intend to continue with these activities, so that there will no longer be a single startup in Serbia that does not have access to finance, mentoring, or professional support.

With the adoption of the Law on Digital Assets at the end of 2020, Serbia became one of the leading countries in Europe and the world when it comes to regulating crypto-economy, which, along with the well-known technical expertise of our engineers, led to the rapid and extremely successful development of startups in this area.

After identifying the development of artificial intelligence as one of the priorities in the development of modern technologies, and the two years of work, Serbia is now on the way to becoming more than a regional leader. The fundamental vision of the Government of Serbia has not changed. By 2026, Serbia will apply, develop and implement artificial intelligence that will contribute to economic growth, employment, and a better quality of life for all the citizens of Serbia.

We want to continue the transformation of the economy and business environment and become a leading economy in the region by applying principles and technologies based on artificial intelligence and robotics. We want to provide citizens with a better living and working environment by applying these principles and technologies. By 2026, Serbia will become a country with industries with high added value, advanced ecosystems, solutions and services for citizens and businesses based on the “Made in Serbia” products and services.

When discussing the application of artificial intelligence, robotics and other technologies that Serbia has taken to be the basis of its further development, we are not only talking about the transformation of the economy, but also of the healthcare system, public services, care for the elderly, air quality, cleaner rivers, forest conservation, agriculture, energy, retention of young people in Serbia, etc.

Studies indicate that in the next 15 years, AI could double the annual rates of global economic growth, through the improvement of labour productivity up to 40%, the creation of “smart machines”, and spreading the innovations and innovative solutions combined with other sectors of the economy. Also, according to the forecasts of the renowned companies McKinsey and PWC, it is predicted that 16–26% of the national GDP growth will be AI-based in 2030.

It should be borne in mind that there are two segments to investing in artificial intelligence and robotics. One is the development of artificial intelligence systems through scientific and development institutes in cooperation with the economy and other scientific and development centres. The other one is investing in its application within the economy and public services. Until now, most of the investments have been into scientific research institutes and the necessary infrastructure that is to provide the basic conditions for developing artificial intelligence itself and its application. We will further list some of the projects that we are planning to implement in

the next period; the projects are expected to have a strategic impact on our economy, science and the quality of life of the citizens.

In order for Serbia to respond as quickly as possible to today's challenges, and also to the challenges yet to come, Serbia will initiate the creation of development programmes based on artificial intelligence and robotics in the following areas:

- Development programme for “green IT based development”: will deal with the development of technologies that can help solve essential problems of the citizens and the businesses, such as clean and alternative energy, environment (air, river and soil pollution), climate change and its impact on health care, agriculture, and protection of forests and settlements. This programme is multidisciplinary in every way and goes far beyond research and development in the field of artificial intelligence and robotics. Experts from all fields will be involved in these projects.
- Centre for transportation systems and automotive industry: Serbia has a growing number of development centres and production centres in the field of the automotive industry. This centre will have the tasks to develop and introduce the solutions that will, with the help of artificial intelligence and robotics, allow for new services and products in the automotive industry, together with the partners such as Continental, Stellantis, Siemens, and others. This centre is regionally very important, because Serbia is a regional transport transit centre for passenger and freight traffic, and all implemented innovations will directly affect the whole of Southeast and Central Europe.
- Centre for applying artificial intelligence in clinical medicine: this is one of the most important areas because it is directly related to the health of the citizens of Serbia. The Institute for Artificial Intelligence already cooperates with various healthcare institutions and research/scientific centres in Serbia on programmes such as: developing a diagnostic system using AI in emergency medicine, in the fields of cardiology and neurology; implementation of AI in the analysis of ECG results; implementation of AI in X-ray, CT and magnetic resonance analysis for the detection of cancer and other malignant diseases; identifying patients with rare diseases in the population of citizens of Serbia for whom until now it was considered that there was no therapy.

In addition to the above, AI and robotics will also be applied in other strategic areas of the economy and public administration of the Republic of Serbia. Considering the significant number of companies developing AI in Serbia, a critical mass of companies with expertise in the domain of robotisation, automation, and predictive maintenance of the production process, has been created. Accordingly, subsequent activities will be directed towards promotion, government incentives, and improvement of conditions for the growth and development of companies in this area.

We consider it realistically achievable that during the next term of office of the Government, Serbia will become a regional leader in applying artificial intelligence based solutions in state administration, industry, healthcare, and education. All of the above will lead to a significant increase in the standard of the population, improvement in the economic structure, and GDP increase.

## 2.5. Climate change and environmental protection

Sustainable development, environmental protection, and climate change remain important topics and we remain committed to implementing the goals of the Green Agenda in all segments of the economy. The sectors of energy, transport, economy, agriculture, waste and wastewater management will be crucial for us in order to ensure a healthy environment. This entails large investments.

In the previous period, we actively worked on the preparation of infrastructure projects in environmental protection, especially through the “Clean Serbia” programme. Within the first phase of this project alone, 26 wastewater treatment plants in 16 local self-governments will be completed by the end of 2025. In this way, through this project alone, we will build 4,992 km of sewage network in the next few years. Investments in waste water collection and processing systems, as well as collection, treatment and reuse of waste, today amount to billions of EUR and raise the quality and standard of life of our citizens in almost all the municipalities and towns.

Projects for the construction of regional landfills, power sub-stations and recycling yards, rehabilitation of unsanitary landfills and cleaning of dumpsites, and cleaning of historical waste, are critical for eliminating decades-long problems in waste management, and therefore will be one of the Government’s priorities. By increasing the rate of municipal waste recycling, we will contribute to solving the problem of excessive disposal of waste in unsanitary landfills, reduce the use of primary raw materials, and prevent environmental pollution. Additionally, an increase in the recycling rate means new jobs, a reduction in production costs, and connecting several branches of the economy. Also, the construction of organised landfills and wastewater treatment plants can mean additional potential for generating electricity and heat. This will support the fundamental principles of sustainable development through the production of electricity from renewable sources, while simultaneously reducing waste.

During 2021 and 2022, over 750 illegal landfills and dumpsites were cleaned in 77 municipalities and towns, and in order to prevent their further creation, video surveillance was installed at 35 locations in 14 local self-governments. In addition, in the previous two years, 6 unsanitary landfills were rehabilitated, closed and recultivated: Prelići in Čačak, Stanjevine in Prijepolje, Osaonica in Trstenik, Sovljak in Bogatić, Zajača near Loznica, and the work on Druglići landfill in Priboj is currently underway. By the end of 2023, we will completely clean the so-called historical waste in Serbia, both hazardous and non-hazardous, that was generated in the 2000s in the factories that had gone bankrupt or were in the privatisation process. This is the first time that such an activity is being carried out, aiming to clean all waste from all locations; so far 6.1 tonnes of hazardous waste have been disposed of at 17 locations. These activities are carried out according to all the prescribed standards and supervised by the inspection, given that many years have passed since its storage, so a special kind of caution is required during these activities.

By strengthening institutional capacities at the national and local levels, as well as the capacity of enterprises for waste and wastewater management, we will enable better implementation of the legislative framework, implementation of infrastructure projects, and timely achievement of goals in waste and wastewater management.

The issue of improving air quality and protection will be of particular importance, for which cooperation with various sectors is necessary, especially with the transport and energy sectors.

This Government will insist on the work on adopting and/or amending the laws regulating these issues and ensuring continuation of investments in this field.

By implementing the necessary reforms, investing in the modernisation and diversification of the energy sector, especially during the global energy crisis, by additionally developing transport and energy infrastructure, air filtration and purification systems, particularly in large industrial plants, we will create conditions for the two most significant pollutants, traffic and energy production, to fully comply with the set goals and plans for reducing air pollution.

We will continue investing in concrete measures that have shown results: into afforestation, replacement of boilers in heating plants, households and public institutions and their transition to alternative fuels, and subsidising electric and hybrid vehicles to reduce traffic pollution. Additionally, by investing into the expansion of the air monitoring network, we will contribute to the timely and transparent notification of our citizens about air quality.

The real indicator of the Government's vision to solve the problem of air pollution is that in the last two years alone, we conducted public tenders, thus helping to replace, reconstruct or rehabilitate boiler rooms in 2,182 households, replace 66 boilers in city heating plants, reforest 421 hectares in 38 local self-government units, and subsidise the purchase of 1,165 electric and hybrid vehicles. Last year, 150,000 saplings were planted, while this year 150 hectares will be reforested with around 79,000 saplings. These results clearly show our willingness to significantly improve air quality, while simultaneously reducing the emission of greenhouse gases, but also the strength to act continuously in the future.

In the next two years, about EUR 6 million of the EU funds will be invested in improving the air and water quality monitoring system. The amount of EUR 3 million is earmarked for the project planning to replace and install 17 new automated air quality measurement stations; out of that number, 8 new ones will be installed in Leskovac, Bor, Niš, Kosjerić, Požega, Čačak, Indjija, and Subotica. The improvement of the existing air quality monitoring network in order to better cover the territory of the Republic of Serbia with automated stations will enable more extensive and better quality air reporting. The other EUR 3 million will be invested into the project of developing regional water monitoring stations at the level of river basins (Novi Sad, Šabac, Raška, and Grdelica), and equipping the National Laboratory with additional equipment and instruments for detecting priority hazardous substances. The implementation of this project will increase the number of water bodies where monitoring the quality of ground water and underground water and sediments will be carried out, which will enable proper management of water resources in the Republic of Serbia and defining the needs for future investments.

In addition, flue gas desulphurisation projects are extremely important, since these emissions affect ambient air quality. They are being implemented at the following thermal power plant blocks: at the TPP Nikola Tesla A3-A6 (expected completion: December 2022) and the TPP Nikola Tesla B1-B2 (expected completion: March 2024). By implementing these projects, sulphur dioxide emissions from our largest thermal power plants will be brought to the level prescribed by the EU regulations.

The Government of Serbia will make efforts to further increase the area of protected areas, ensure the development of a functional ecological network of the Republic of Serbia through the management of protected areas and the economic valuation of biodiversity. From November 2020 until today, the protected areas grew to 707,754 hectares, i.e. to 8% of the total area of the

territory of the Republic of Serbia. We still have a lot of work to do in order to increase the area under protection. Our goal is to reach 9% by the end of 2023.

We will continue to protect our natural resources and biodiversity even more intensively, in accordance with the undertaken international commitments, following the example of one of the key results in nature protection, which is the adopted Law on Amendments to the Law on Nature Protection, which prohibits the construction of all types of hydroelectric power plants in protected areas.

Since we successfully started with capital investments for the first time in protected areas, we will continue with them in an even greater number of protected areas in the territory of the Republic of Serbia. In addition to the protection of nature and biodiversity, the preservation and protection of soil as a natural resource is important to us, primarily because the soil provides us with food.

We will work on improving systemic education in environmental protection and advancing intersectoral cooperation. Together, they will raise public awareness about the need for environmental protection and mitigating the impact of climate change on the political, economic and social levels of the Republic of Serbia.

For the first time in the Republic of Serbia, we will pass a law regulating the area of major accident prevention. Harmonising national legislation with the EU legislation in this area will contribute to improving industrial safety and mitigating any consequences for human health and the environment.

Climate change is our reality, our present, and one of the most significant challenges facing our generation. The climate change consequences are not only redefining the socio-political, economic and ecological systems, but also questioning the survival of human civilisation as such. For this reason, the Government will continue to work on implementing the policies to combat climate change.

In the coming period, we are to adopt the Low-Carbon Development Strategy and the Programme for Adaptation to Changed Climate Conditions, as well as four by-laws. By adopting the mentioned documents we confirm our determination to undertake the commitments introduced by the EU within the Green Agenda for the Western Balkans. By adopting the Nationally Determined Contribution to mitigate the greenhouse gas emissions we clearly defined our commitment to the global contribution to the fight against climate change for the next period. In order to further strengthen the integration of climate change into sectoral policies and encourage dialogue on this topic, we have put into operation the National Council for Climate Change, an advisory body of the Government consisting of representatives of the relevant authorities, the academia and the civil society.

By applying the Law on Climate Change, we want to contribute to increasing the competitiveness of our economy on the European market, to establish the foundations for attracting foreign investments, and to enable a green, low-carbon transformation, as well as a just transition.

On the way to an ecological transition that has to be just for everyone, we must all work together: the Government, through various forms of incentives, especially in the area of

innovation; the economy, which must be ready for changes, because in addition to the digital revolution, we are also moving towards a new, green revolution; and the citizens, who will significantly contribute to the preservation of the environment by changing their habits. All of this together will contribute to the ultimate goal of the green transition: to stop climate change, preserve biodiversity, and prevent further environmental pollution. We must not forget that climate and nature are inextricably linked and at the same time crucial for our survival.

### **3. SOCIAL AND COUNTRY STABILITY**

#### **3.1. Rule of law and judicial reform**

In the area of the rule of law, Serbia achieved most significant results in the past two decades. This is clearly shown by the European Commission's last two Annual Reports on Serbia's progress, noting certain progress in all areas.

As one of the most important successes and achievements during the term of office of the previous Government of Serbia, the process of amending the highest legal act, the Constitution, in the part related to the judiciary, aiming to ensure the complete depoliticisation of the judiciary, increase the efficiency of the judiciary, and ensure the equality of all before the courts of the Republic of Serbia, stands out without a doubt. The amendments to the Constitution were made in a transparent and inclusive manner, in cooperation with the Venice Commission. The representatives of the National Assembly and the Ministry of Justice, professors from law schools, members of scientific institutes and from professional associations of judges and public prosecutors, all participated in the Working Group for preparing the amendments to the Constitution. Several public hearings were attended by: judges of the Constitutional Court, judges, public prosecutors, members of the High Judicial Council, members of the State Prosecutorial Council, representatives of the Judicial Academy and representatives of professional associations of judges and public prosecutors, representatives of Bar Associations, representatives of the EU, the Council of Europe, the OSCE and diplomatic missions. In the end, the Venice Commission published an opinion where it gave a positive assessment of the final version of the amendments to the Constitution, noting that all key recommendations were either fully implemented or that they were implemented in accordance with international standards. The act on Amendments to the Constitution was confirmed in a referendum in January 2022, and the members of the National Assembly of the Republic of Serbia announced the changes to the Constitution at a special sitting on 9 February 2022.

The constitutional amendments limited the role of political factors in the selection of judges, presidents of the court, public prosecutors and their deputies, while strengthening the rule of law and significantly improving the legal certainty of the system. The constitutional amendments ensured full independence of the judiciary, guaranteed the permanence of office, and depoliticised the judiciary. Changing the Constitution in the part related to the functioning of the judiciary was one of the most significant activities on our journey to the EU, but it is also, even more importantly, one of the most important things we have done in the past 10 years for all citizens of the Republic of Serbia.

After ratifying the amendment to the Constitution, the Ministry of Justice continued work on amendments to judicial laws, with the aim of harmonising them with the new Constitution of the Republic of Serbia. The Ministry of Justice continuously communicates with the Venice Commission, which in the meantime gave a positive opinion on the set of judicial laws, and conducts a consultative process with representatives of the High Judicial Council, the State Prosecutorial Council, the Supreme Court of Cassation, the Republic Public Prosecutor's Office, the Judicial Academy, the Association of Judges of Serbia, the Association of Serbian Prosecutors, and Law Schools.

In addition to this, in order to improve the efficiency of the judiciary in the Republic of Serbia, the courts increased the number of resolved cases in the previous period in a systematic manner. This is the result of systemic legal interventions in the enforcement procedure, standardisation of case law in repetitive cases, as well as increased involvement of judges in solving old cases. At the same time, the number of unresolved cases in all courts in the Republic of Serbia significantly decreased, and there is a downward trend in the number of pending old cases in all matters. During 2021, the courts in the Republic of Serbia resolved 2,415,672 cases. Compared to 2020, the total of 401,843 more cases were resolved in 2021. At the same time, in the period from 2017 to 2021, the number of unresolved cases in all courts in Serbia decreased by 412,849 (from 1,911,086 in 2017 to 1,498,237 at the end of 2021). Finally, we note a strong trend of reduction in the number of unresolved old cases in all matters: from 621,324 cases in 2019 (and 382,646 cases in 2020) to 137,637 cases at the end of 2021.

With the great and significant support of the EU, a uniform and centralised case management system was developed, and the formula for evaluating cases by complexity was introduced in all basic, higher and commercial courts in Serbia.

A mechanism was established to monitor full compliance with court decisions through regular quarterly joint meetings between the Prime Minister, the Speaker of the National Assembly, the Minister of Justice, representatives of the High Judicial Council and the State Prosecutorial Council. At the same time, the High Judicial Council established a mechanism for responding in cases of undue influence on the judiciary.

The Judicial Academy conducted a training programme for trainers in the areas of judicial independence, ethics and integrity of judges and public prosecutors, as well as prevention of undue influence on the judiciary, which was attended by 100 judges and public prosecutors.

The Strategy of Human Resources in the Judiciary, the Action Plan for the Implementation of the Judiciary Development Strategy for the period 2020-2025 were adopted, as well as the ICT Strategy for the Judiciary for the period 2022-2027.

### **3.2. Fight against organised crime**

In the period from 28 October 2020 to 9 September 2022, the total of 42 organised criminal groups (OCGs) were prosecuted: 1 OCG for aggravated murders, kidnappings, illegal drugs, weapons and money laundering; 1 OCG for the criminal offences of aggravated murder, abuse of official position, endangerment of the public, and weapons; 14 OCGs for illegal drugs; 3 OCGs for organising prostitution; 1 OCG for smuggling works of art; 10 OCGs for smuggling migrants; 9 OCGs for economic and financial crimes and corruption; 2 OCGs for cyber crimes; 1 OCG for abuse of position of responsible person and abuse of official position.

During 2021, the Criminal Police Directorate (UKP) and the Security Information Agency (BIA), in cooperation with the Prosecutor's Office for Organised Crime (TOK), arrested 29 members of the OCG led by Veljko Belivuk and Marko Miljković, because of reasonable suspicion that they had committed several criminal offences of murder, extortion, kidnapping, and unauthorised production and distribution of narcotics. The arrest of this group caused by far

the greatest attention of the public, because, among other things, they had carried out a series of monstrous and hitherto unprecedented liquidations.

In April 2022, in the territory of the Republic of Serbia, 6 members of the OCG organised by Darko Šarić were arrested. They were charged with the crimes of aggravated murder, abuse of official position, endangering the general public, and illegal production, possession, carrying and trafficking of weapons and explosive substances.

In the past three years, the amount of seized narcotics has increased significantly, and during 2021, there was a record seizure of over 8.7 tonnes of narcotics. The trend of increasing the volume of seized narcotics continued in 2022.

In the previous two years, 23,994 seizures were made and more than 13.5 tonnes, about 431 litres, as well as over 1.8 million pieces of narcotic drugs were seized in the territory of the Republic of Serbia. The largest volume seized was of marijuana (about 13 tonnes), followed by about 358 kilograms and about 359 litres of synthetic drugs, about 130 kilograms of heroin, and about 60 kg of cocaine. In addition, 101 illegal laboratories for growing marijuana and 181 plantations of marijuana were discovered. In the same period, 18,012 criminal charges were filed against 17,789 persons for crimes related to narcotic drugs.

Close and good cooperation and joint operations with the Europol, the DEA, the police services of Spain, Germany, Bulgaria, Slovenia, Bosnia and Herzegovina, Croatia, and Colombia, continued in the areas of Europe and South America. In joint actions, the total of 3,850 kg of cocaine was seized, an attempted smuggling of 1,369 kg of cocaine was stopped; 33.4 kg of heroin, 3,206 kg of marijuana, 33,856 marijuana plants, and 7.9 kg of hashish were seized, as well as immovable and movable property worth more than several hundred thousand euro. Through these actions and constant cooperation, the Republic of Serbia has once again proven itself to be a reliable partner.

The Ministry of the Interior will carry on with continuously implementing all the activities aimed at further suppressing all forms of organised crime, corruption, drug crime, including the suppression of transnational organised crime by conducting international joint operations aimed at detecting and arresting members of organised criminal groups.

### **3.3. Fight against corruption**

In the period from 1 October 2020 to 9 September 2022, the Anti-Corruption Department of the Crime Police Directorate (UKP) filed 978 criminal charges and 15 supplementary criminal charges against 2,157 persons, of which number 1,047 persons were arrested, for having committed 2,201 criminal offences and acquiring illegal financial gain in the amount of RSD 11,025,600,830, as well as causing damages in the amount of RSD 11,471,868,192.

In terms of judgments in corruption cases, in 2021 the courts of general jurisdiction issued 132 judgments, which is 15.7% more than in 2020. At the same time, special departments of higher courts for the suppression of corruption passed 271 judgments, which is 38.9% more than in 2020.

In cases of criminal proceedings against the perpetrators of the so-called grand corruption crimes, during 2020 the prosecutor's office for organised crime initiated investigations against 21 persons, while parallel financial investigations were initiated against 14 persons. Indictments were filed against 19 persons accused of committing these crimes. Indictments were brought against a state secretary in the Ministry of Construction, Transport and Infrastructure, the Assistant Minister for International Cooperation and European Integration in the Ministry of Agriculture, Forestry and Water Management, as well as the Director of "Infrastruktura Železnice Srbije" a.d. (Serbian Railway Infrastructure Joint Stock Company), as well as the Director of the Sector for Procurement and Central Warehouse and Chairman of the Procurement Committee in this public enterprise.

During 2020, final and enforceable convictions were passed against the former Director General of the Public Enterprise "Roads of Serbia", President of the Commercial Court in Zaječar, Acting Director of the Institute for Protection of Cultural Monuments in Kraljevo; in addition, first-instance convictions were passed against the President of the Basic Court in Loznica, a judge of the Basic Court in Lazarevac, and Director of the Serbia Investment and Export Promotion Agency (SIEPA) as well as two employees of this Agency.

During 2021, investigations were launched against 22 persons, while parallel financial investigations were launched against 19 persons. Charges were filed against 22 persons accused of committing these crimes. Indictments were brought against the former state secretary in the Ministry of the Interior, Assistant Minister in the Ministry of Agriculture, Forestry and Water Management, Acting Director of the Public Enterprise for Underground Coal Mining "Resavica", President of the Misdemeanour Court in Kraljevo, Head of the Department for Project Management in the Ministry of Agriculture, Forestry and Water Management, former Head of the Service for Special Investigation Methods of the MoI, Head of the Police Department for the City of Novi Sad, etc. In the same period, investigations were launched against an Assistant Minister in the Ministry of Education, Science and Technological Development, the President of the Commission for Public Procurement in the Ministry of Education, Science and Technological Development, former Assistant Director of the Customs Administration, as well as the Director of the Niš Penitentiary. In the first half of this year, investigations were launched against 34 persons, and indictments were filed against 10 persons for committing corruption related criminal offences.

At the end of 2021, a working group was formed in the Ministry of the Interior, for the operation of 55 teams for combating the crime of money laundering. The working group, in cooperation with the competent prosecutor's offices, filed the total of 30 criminal charges against 49 persons, 36 of whom were arrested on the grounds of reasonable suspicion that they had committed 70 criminal offences, obtaining illegal financial gain in the amount of RSD 921,268,163 and causing damage in the amount of RSD 771,492,330.

#### **3.4. Strengthening Serbian defence power**

The Republic of Serbia is a militarily neutral country. This is our firm determination, and we will continue investing in the Serbian Armed Forces, as well as into our defence industry.

Today, the Serbian Armed Forces have 14 modernised MiG-29 aircraft, four Mi-35 combat helicopters, five transport Mi-17V-5s, five H-145Ms, as well as a battery of the most modern air defence system “Pancir S1”. In previous times, the fighter aviation in charge of monitoring and controlling the airspace, due to the lack or malfunction of the aircraft, in certain periods before 2012, was not able to fly even a duty pair.

Our armed forces today are equipped with 30 modernised tanks T-72MS, 30 transporters BRDM-2MS, as well as the most modern anti-tank system “Kornet”.

Today, when compared to 10 years ago, the number of assets developed by our domestic military institutes and domestic factories, and which were introduced into the armament of the Serbian Armed Forces, is three times higher. After more than 30 years, the serial production of complex combat systems, developed domestically, was contracted, from the modernised digital “fire”, through the modernised air defence system KUB and PASARS M-16, to the remotely controlled armed platform “Miloš”, command and reconnaissance vehicle BOV KiV, MRAP. The final phase of modernisation of the M-84 tanks and the BVP M-80A infantry combat vehicles is under way.

We have also started a new investment cycle in our defence industry. We made the decision to invest an additional EUR 100 million, and we will invest, in the future, hundreds of millions more in the modernisation of our capacities. Nevertheless, so that we would not run out of ammunition and defence means due to high demand and significant exports, the President of the Republic of Serbia signed an order for all our factories that 20% of the products we produce in Serbia at any time must be left in our country, for our armed forces.

We have made further progress on the Global Firepower list. This year, Serbia is the 61<sup>st</sup> military power out of the total of 139 ranked countries in the world. This is an improvement of 28 places compared to 2017, when we ranked 89<sup>th</sup>.

Today, a member of the Serbian Armed Forces is paid 70% more than they were in 2012. For example, the salary of a lance corporal in December 2012 was EUR 301, and today the salary of a lance corporal is EUR 506. From 1 January 2023, salaries for military personnel will be increased by 25%, to show them that in these challenging times we especially appreciate what they do, but also to show respect for what their families endure. We will also continue to implement the state housing project for the security services, which was initiated by the President of the Republic of Serbia, Aleksandar Vučić, in order to help our soldiers and police officers to provide their families with housing at significantly more favourable prices than the market ones. Thanks to this project, in the previous two years, about 3,400 members of the security forces solved this particular issue.

### **3.5. Kosovo and Metohija**

For us, the unilaterally declared independence of the territory that is administratively the Autonomous Province of Kosovo and Metohija is not acceptable. Our goal is the normalisation of relations with Priština, which will bring security and prosperity to everyone in Kosovo and Metohija, and security to the entire region. When it comes to this important issue, the Government of the Republic of Serbia coordinates all its activities and moves in detail with the

President of the Republic of Serbia, Aleksandar Vučić, and the representatives of the Serbian people in Kosovo and Metohija. National and political unity in this matter is our absolute priority.

In the previous two years, we continued to pursue a policy of protecting vital national interests, preserving political stability in the territory of AP Kosovo and Metohija, continuing negotiations with the Provisional Institutions of Self-Government (PIS) in Priština under the auspices of the EU, improving economic development and living conditions, and economic empowerment of the Serbian population in Kosovo and Metohija, and also with the struggle for the preservation and return of usurped private and state-owned property, and support for the return of internally displaced persons.

We have remained consistent and determined in our intention to ensure the fulfilment of all agreements reached in the Dialogue, and above all, the Brussels Agreement signed in 2013. We insist that it is necessary to take concrete steps as soon as possible in order to establish the Community of Serb-majority Municipalities (ZSO) in the manner provided by the Brussels Agreement and the 2015 General Principles. In the period from October 2020 to September 2022, as part of the negotiation process with the Provisional Institutions of Self-Government (PIS) in Priština, 5 high-level meetings and 9 technical-level meetings were held, along with 8 meetings of the Working Group for registration plates.

We continued our work on improving the standard of living of Serbs in Kosovo and Metohija. In the previous two years, we completed the construction and reconstruction of 1,372 housing units, 80 houses, delivered aid in construction materials to 856 households, and continued the construction of the returnee settlement “Sunny Valley” in Zvečan. The works on constructing the healthcare and recreational complex “Rajska Banja” (Paradise Spa) in Banjska are in their final phase. We have launched the projects for two Clinical Hospital Centres (KBC): for the construction of a new KBC in Gračanica, 6,000 sqm in area, the design and technical documentation is being drawn up; we are working on the rehabilitation, reconstruction and addition of new buildings of the Healthcare Centre in Kosovska Mitrovica. The most modern PCR laboratory for testing for the presence of coronavirus was built and equipped within the Kosovska Mitrovica Clinical Hospital Complex. The reconstruction and equipping of 30 outpatient offices in villages in the entire territory of AP Kosovo and Metohija have been completed. Competitions have been announced for 607 new jobs in healthcare for all healthcare institutions in the AP of Kosovo and Metohija that are in the network of healthcare institutions of the Republic of Serbia.

The construction of the facility has been completed, and the facilities are fully equipped for the work of separate outlets of the Preschool Institution “Šarsko lane” (Fawn from Šara) in the village of Jažince (municipality of Štrpce), the village of Gornje Kusce (municipality of Gnjilane), the village of Osojane (municipality of Istok), and the construction of a new kindergarten in Goraždevac (municipality of Peć) is also in the final phase. In the village of Babin Most, an adequately equipped space is provided so that, after many years, the children from Babin Most can go to a kindergarten. The construction of the University of Priština with a temporary headquarters in Kosovska Mitrovica is under way.

The construction of the water intake and water treatment plant “Bolovanka” in Štrpce is underway. It will enable the regular supply of clean and healthy drinking water to about 4,500 inhabitants of the settlement of Štrpce.

The interactive multimedia centre in Kosovska Mitrovica with an area of 2,404 sqm has been completed and put into operation, and 20 projects have been launched, aimed at equipping, reconstructing and rehabilitating the cultural centres in Leposavić, Zubin Potok, Gračanica, Šilovo, Donja Gušterica and Kosovska Kamenica, and the National Library in Gračanica.

In the area of economic development, entrepreneurship and improvement of living conditions in the AP Kosovo and Metohija, funding was provided for projects of economic development and entrepreneurship, reconstruction of buildings of public importance, roads and water supply and sewage infrastructure, and developing power potentials and regular supply of electricity. More than 2,000 agricultural households were supported by the procurement of over 31,000 varieties of fruit seedlings for more than 150 fruit growers, dozens of units of small and large agricultural machinery and equipment for developing fruit growing and starting vineyards, as well as about 200 heads of large and small livestock, by digging wells for agricultural land irrigation, by purchasing 6,200 packages of equipment for the development of beekeeping, but also by investing funds in the development of processing activities, allowing the implementation of 125 projects, which meant new employment for 119 persons and involved establishing 15 economic operators.

Support was provided to the development of the holding of the Serbian Orthodox Church Diocese of Raška-Prizren and Kosovo-Metohija, and 42 projects were co-financed. Funds were provided for conservation and restoration works on the church of the Holy Virgin of Ljevisa, for the construction of residential facilities and the reconstruction of existing residences in Gračanica, Budisavci, the Patriarchate of Peć, in Dečani, in the vicinity of the Church of the Transfiguration in Pasjan, and also in Kajkov, Peć, Novi Badovac, Osojane, Brnjak, Kosovo Polje, Kosovska Kamenica, and other temples.

The provision of legal assistance in criminal prosecutions against Serbs in the territory of the AP Kosovo and Metohija continued, as well as in property protection procedures, in 5,211 pending cases. In terms of social welfare, we continued to provide assistance to returnee families, although the number of returnee families remains extremely small: in the previous two years it ranged from 325 to 480 families.

Our position on the issue of Kosovo and Metohija is becoming more and more complicated, and the pressures are increasing. The architecture of the talks we have had so far, the dialogue between Belgrade and Priština, under the auspices of the EU, is changing almost essentially, through the proposal by the two largest European powers, Germany and France. On the other hand, the problems in the territory of our Autonomous Province of Kosovo and Metohija are such that almost every day we have provocations by Albanians and attacks against Serbs and their property.

We have to talk, and we have always wanted to talk, because we think that talking is of vital importance for the Republic of Serbia, because we have to work on the reconciliation with the Albanians and on normalising relations in every sense. As a country, there is nothing else left for us to do but to refer to the international public law and perhaps be the only ones who will adhere to it completely.

We are infinitely grateful to our people in Kosovo and Metohija. We will continue to provide support, in every sense, political, humanitarian, economic. This support will be even greater in the next budget than it was in all the previous ones.

### **3.6. Preservation of Serbia's independence and autonomy in decision-making**

Our policy has been, and will remain, to be on the path to the EU, to preserve our traditional friendships, and to have independent and autonomous politics.

In the period from October 2020 until today, despite all the challenges, the Republic of Serbia opened two clusters in the process of joining the EU. At the 12<sup>th</sup> Intergovernmental Conference on the Accession of the Republic of Serbia to the European Union, on 22 June 2021 in Luxembourg, the official start of applying a new methodology was marked and at the same time it was stated that the Republic of Serbia had opened Cluster 1, Fundamentals, bearing in mind that in the negotiations so far all the negotiation chapters in this cluster were open. Cluster 4, Green Agenda and Sustainable Connectivity, was officially opened at the 13<sup>th</sup> Intergovernmental Conference, on 14 December 2021 in Brussels. This increased the total number of open chapters to 22. Regardless of the challenges we face on this path, we continue to follow our European orientation.

In addition to this, in the period since the formation of the Government in October 2020, the Republic of Serbia concluded about 250 international agreements, memoranda and other international legal documents, two of which are strategic partnerships: with Hungary and Egypt. Despite significant challenges in the past period, intensive foreign policy activities were recorded. In the past two years, we had the opportunity to host a large number of presidents and heads of state, as well as a large number of prime ministers. Our officials made numerous visits to foreign countries, and they also participated in a large number of multilateral gatherings.

On 11 and 12 October 2021, the Republic of Serbia organised a commemorative meeting on the occasion of the 60<sup>th</sup> anniversary of the first conference of the Non-Aligned Movement, where 120 delegations participated.

We have shown international solidarity in complex times. We donated medical equipment and about one million doses of vaccines against COVID-19 to numerous countries in the region and Europe, but also to countries on other continents, primarily Africa. We donated food products (flour, pasta, salt, oil, sugar) in total quantities of over 300,000 tonnes to a number of vulnerable countries in Africa and the Middle East.

During the previous two years, the Government of the Republic of Serbia and the Ministry of Foreign Affairs worked on the institutional expansion and strengthening of the network of representative offices of the Republic of Serbia. Since 2020, the embassy in Accra, the Cultural Centre in Beijing, and the Consular Office in Valletta have been opened. The procedure has been initiated for opening diplomatic and consular representative offices in Bahrain, Jordan and Zimbabwe, and cultural and information centres in London and Skopje. The Memorandum of Understanding with Hungary on the joint use of the premises of diplomatic and consular representative offices of the two countries is being actively implemented. Our and Hungarian diplomats jointly use the facilities in Valletta and Lusaka, and the joint use of facilities in

Santiago and Harare is in the preparation process. In the period from October 2020, real properties in Bern, Washington, New York and Beirut were acquired in order for the diplomatic and consular representative offices to own their premises.

Active efforts were made to expand the network of honorary consulates in the world: 11 honorary consulates were opened, on all continents, which increased their total number to 87. The opening procedures for 10 honorary consulates are in the final stage.

In the last two years, diplomatic relations were established with two countries: the Solomon Islands and East Timor, and the necessary procedures and active work were started to establish diplomatic relations with the remaining five UN member states, with which diplomatic relations have not been established yet.

As part of the “World in Serbia” project, the total of 427 students from member states and observers of the Non-Aligned Movement were awarded scholarships in the last two years, and in the academic year 2021/2022, 234 students from 44 countries were included in this project.

In the previous period, we made the best use of the position, importance and economic strength of the Republic of Serbia in the region in order to contribute to the stabilisation of the regional state of affairs and to strengthen our position as a driver of regional networking, linking, and encouraging cooperation. The advancement of good neighbourly and mutually beneficial regional cooperation was one of the main foreign policy priorities of the country, and in that context, the results we achieved within the Open Balkan Initiative are particularly important.

The Open Balkan Initiative is based on the idea of the single economic area functioning in the Western Balkan region, or, in other words, on the four key freedoms of the European Union: the free movement of people, capital, goods, and services. The implementation of various measures within the Open Balkan Initiative has already led to an increase in the flow of goods and people, a reduction in the costs of doing business, and a rise in competitiveness. The great advantage of the Initiative is that it was entirely conceived and created in the region, and as such it represents an autochthonous process of cooperation that does not depend on the influence of other factors, and proves that cooperation in the Western Balkans area is possible. As part of the Open Balkan Initiative, 11 high-level meetings have been held so far, the latest one in Belgrade, on 2 September 2022, when the first international wine fair, “Wine Vision by Open Balkan”, was held. As part of the initiative, 18 documents have been signed so far: 3 joint declarations, 6 memoranda of understanding, 3 bilateral agreements, and 6 trilateral agreements.

In accordance with generally accepted international norms and constitutional and legal obligations, the Government of Serbia continued to show special interest in the status of Serbs and the Serbian language in the countries of the region, and continued to insist on respect for the fundamental rights, language, identity, religious affiliation, and cultural heritage of the Serbs.

### **3.7. Social dialogue and media**

Bearing in mind that civil society is one of the most important partners in all the reform and legislative processes, the Government of the Republic of Serbia, in order to strengthen the openness and inclusiveness of the decision-making process, invested significant efforts in

creating conditions for greater participation of the civil society in the process of creating public policies. The Strategy for creating a stimulating environment for the development of civil society in the Republic of Serbia for the period 2022-2030, with the accompanying Action Plan for the period 2022-2023, was adopted as a comprehensive public policy document, determining the direction of cooperation between the public administration and civil society. The future Government will continue work on strengthening cooperation with the civil society through activities on the formation of the Council for Cooperation with Civil Society in a broad consultative process.

The previous period was marked by a good partnership relationship and constructive dialogue between the Government and the National Councils of National Minorities, with the aim of improving the position and protection of national minorities, through working on the Action Plan for exercising the national minorities' rights and the continuity of regular meetings of the central level Council for National Minorities, and I expect that the partnership relationship and cooperation will continue in the period ahead as well.

Since the Republic of Serbia strives to strengthen a democratic inclusive society where all the citizens enjoy equal rights and have equal opportunities to realise their potential, the Government has devoted special attention to fighting discrimination, improving the position of the Roma, and gender equality, primarily by establishing and strengthening the institutional, strategic, and legal frameworks. We established the Coordination Body for improving the position and social inclusion of Roma men and women and for monitoring the implementation of the Strategy for their social inclusion for the period from 2016 to 2025, with the participation of the National Council of the Roma National Minority. Under the auspices of the Coordination Body, an improved Strategy for the Social Inclusion of Roma Men and Women 2022-2030, and the accompanying Action Plan, were developed. In the previous period, the Government, through several programmes aimed at empowering young Roma and by establishing a special Section for Roma within the Ministry of Human and Minority Rights, worked to encourage the representation of Roma men and women among the public administration employees.

In the area of combating discrimination, aiming to create better opportunities for members of sensitive groups to enjoy all human rights and freedoms on an equal basis with others, significant progress has been made in strengthening the legislative and strategic framework by adopting amendments to the Law on Prohibition of Discrimination and the Strategy for Prevention and Protection against Discrimination for the period from 2022 to 2030, with the Action Plan for its implementation for the period 2022-2023.

Over the past two years, the Republic of Serbia continued its progress in the field of gender equality, primarily by establishing a good normative framework. The Law on Gender Equality was adopted, which comprehensively and systematically regulates and strengthens institutional mechanisms for preserving and protecting gender equality; in addition, two extremely important strategies in this area were also adopted: the Strategy for Gender Equality from 2021 to 2030 with the accompanying Action Plan, and the Strategy for Preventing and Combating Violence against Women in Family and in Intimate Partner Relations for 2020-2025.

In the area of media freedom and cooperation with the media and associations of journalists, the Government of Serbia in its previous term of office adopted the Action Plan for the implementation of the Media Strategy, prepared by the Working Group that worked on the Media Strategy as well, where representatives of the media and associations of journalists

participated, and in partnership with the OSCE Mission, EU Delegation, the Kingdom of Norway Embassy and the Konrad Adenauer Foundation. The working group for monitoring the implementation of the Action Plan was formed, and the Action Plan implementation is underway.

The priority during the term of office of the new Government in this area will be finalising the drafting and adoption of amendments to the Law on Public Information and Media, as well as the Law on Electronic Media. Our goal is to continue and complete this work in partnership with the media and associations of journalists that we worked with in the previous period as well.

Also, the Working Group for the Safety and Protection of Journalists was formed. As a result of the activities of that Working Group, and with the support of partners from international organisations and embassies, an *SOS hotline* was established to report attacks and threats directed at media representatives, and the *Safe Journalist* web platform was launched, which contains all the information related to the safety and protection of journalists. Moreover, at the proposal of the Working Group, journalists were included in the priority groups for vaccination against the COVID-19 virus.

This Working Group, with the support of the OSCE, initiated and monitored proposals for amendments to the Criminal Code with the aim of improving the safety and protection of journalists. The adoption of these amendments is expected to take place as part of the broader process of amending the Criminal Code.

We remain open to cooperation with all of the media and journalist associations, because it is only by working together that we can improve the safety and overall position of journalists and media workers.

During its term of office, the new Government will continue to invest further efforts in the creation, and above all, in the implementation of policies which will enable the equal participation of all citizens in all aspects of social, cultural, political and economic life, with special attention focused on sensitive social groups.

### **3.8. Social and population policy**

In an effort to ensure a greater measure of social justice, we established the Social Card register. This register ensures impartiality, as well as a faster and more efficient response of the state in case of changes affecting the social and economic status of citizens, thus allowing the rights in the field of social protection to be more easily exercised.

Thanks to Social Cards, for the first time, authorised persons in the relevant services for protection of children, of veterans and the disabled persons, and for social protection, can automatically extract exactly the data about the applicants and their related persons that are necessary for decision making. The use of this register significantly shortened the waiting time and ensures that those who need help receive it within the shortest possible time.

The establishment of the Social Card system has already produced the first results. Thanks to the register, it was discovered that around 13,000 persons who were beneficiaries or exercised this

right in another way had actually died, which prevented further unjustified spending of budget funds. It was established, for instance, that only for one beneficiary receiving allowance and increased allowance for assistance and care of another person, the amount of more than RSD 2 million was unjustifiably paid, since the beneficiary of the right had died back in 2001. For this group of rights, as many as 1,303 cases of deceased persons were found to whom money was regularly paid until recently. It was also discovered that funds were paid for accommodation services for a person who had died back in 2010, which means that in this case the amount of more than RSD 5 million was unjustifiably paid. These examples confirm that it was necessary to provide a mechanism for determining the relevant facts for the social protection rights and services. In accordance with the legal powers, the officials, if necessary, make corrections to the adopted decisions, and make new decisions only after reviewing the data received through the Social Card. The effects of the introduction of the register are yet to be visible in terms of savings in the budget, but also in other resources, which will enable a fairer distribution of financial and other assistance to those who really need help.

The demographic picture of Serbia has been changing for decades now. The population is decreasing in all parts of the country except for a few large cities. So far, the Government has made a great effort to improve the demographic picture of the country. First, childbearing support programmes are very broad and generous: earnings during maternity leave and child care leave are regulated, as well as the simultaneous use of the right to salary compensation and to an allowance for the assistance and care of another person. As of 1 January 2022, two new population policy measures are foreseen to take place. One is the right to funds (up to 20% of the value of the real estate, but in the maximum amount of EUR 20,000 in RSD equivalent) for construction, participation in the purchase, or purchase of real estate related to the birth of a child, which can be exercised by the mother for a child born from 1 January 2022 and on. The other is the measure related to the amount of parental allowance for the first child in the amount of RSD 321,900, as well as the right to one-time financial assistance in the amount of RSD 100,000, which can be exercised by the mother exercising her right to parental allowance for the second or third child born from 1 January 2022 and on. The amount of parental allowance for the second child has also been increased to RSD 285,544.04 in 24 monthly instalments; as for the third child, it is RSD 1,713,264.24 over 10 years, and for the fourth child, RSD 2,569,896.36 over 10 years. For the rights from this law, RSD 22 billion more than before was earmarked, so that now close to RSD 80 billion is allocated from the Budget of the Republic of Serbia for financial support to the families. What is more, the development of the economy weakened the incentive for internal and external migrations. In this regard, positive results are already visible: the rise in average salary and employment rates, greater attractiveness of smaller and medium-sized towns for living, investments in rural revitalisation.

The goal of the new Government is to increase the birth rate, manage migrations wisely so that they have as few negative consequences as possible for our society, and to activate the human resources of all those living in Serbia so that the decrease in the population is felt as little as possible. In order to achieve this, the Government has taken the first steps. First, the relevant ministry was established; and then also the team for population issues at the Prime Minister's Office. The creation of the Human Development Report that is to analyse depopulation from the perspectives of different sectors, present important results, and give recommendations, was supported. As such, the Report represents a framework for a new strategic approach to solving the issue of depopulation in our country and a framework for the activities. Consultations are underway with various players at the international, national, and local levels, in order to establish a common understanding and build partnerships for new policies in this area.

Further, the Government intends to undertake two key measures. One involves support for young people and young parents on the labour market to more easily balance work and parenthood. We will realise this through improving the quality of the labour market in terms of income stability, job quality, work flexibility, ensuring a high degree of labour law protection, which will weaken the motivation for migration and increase fertility. The other measure involves supporting the development of medium-sized towns to make them more attractive for living and to reduce internal migration. This is achieved through balanced regional development, which is the key to balanced demographic development. The Government of Serbia therefore intends to develop an instrument to support local population policies. Economic and infrastructural development of towns and municipalities, decentralisation and deconcentration, contribute to slowing down the migrations and creating a favourable environment for childbirth.

### **3.9. Balanced regional development**

Integrated development provides a general framework for the progress of a region and local self-governments through coordinating the work of local and central authorities, all for the purpose of improving the quality of life for the residents of that region and of attracting new visitors, while taking into account the conditions, potentials and resources of the area. During the previous two years, we started with the first comprehensive projects of this type, showing efficiency in implementation and success in coordination for an entire range of projects in a broader area: from infrastructure and utilities to environmental, tourist and cultural revitalisation.

Since its establishment two years ago, the Ministry of Rural Welfare successfully implemented four programmes worth RSD 2 billion in total. These projects covered 1,527 villages in 129 local self-governments in Serbia. The most notable was the Grant Programme for the purchase of a rural house with grounds, for which RSD 1.2 billion were allocated (RSD 1.2 million was the maximum amount per application). The total of 1,101 rural houses with grounds were purchased using the funds from this programme, in over 100 local self-governments, which provided a rural home for nearly 2,000 people with 878 children; 895 applicants went on living in rural areas, and 202 moved from towns to villages. The average age of grantees was 29.8 years.

Also, for the fifth year now, the Programme to support the development of cooperatives has been successfully implemented by awarding grants for improving cooperative operations, for which RSD 500 million was allocated in both years; the amounts granted were RSD 15 million for cooperatives already in place and RSD 7.5 million for new cooperatives. In 2021, 57 cooperatives received funding: 21 fruit growing cooperatives, 15 field crop growing cooperatives, 6 livestock raising cooperatives, 4 vegetable growing cooperatives, 4 viticultural cooperatives, 4 beekeeping cooperatives, 1 for processing medicinal plants, 1 social cooperative, and 1 tourism cooperative (207 cooperatives have been financially supported since 2017). Since the beginning of the implementation of this Programme, more than 1,000 new cooperatives have been formed, while in the previous period, about 100 cooperatives were closed annually, and there were almost no new ones.

One of the more notable programmes was the Grant Programme for procuring minibuses for the transportation of the rural population, for which the total of RSD 240 million was allocated for two years, for 35 local self-governments. This mode of transportation will be used by 3,800

passengers per day in 847 villages of Serbia out of the total number of 1,508 villages, located in the territory of these 35 municipalities.

When it comes to earning livelihood in rural areas, in addition to cooperatives, currently a programme for starting economic activities in rural areas is being prepared, aimed at the renewal of old crafts, new crafts, independent shops, rural tourism, and all activities that are necessary for the normal functioning of rural areas.

With regard to social standards, there is also a programme of adaptation or reconstruction of cultural centres or cooperative centres in villages into modern, multifunctional facilities that will bring health care, necessary administrative activities, cultural contents closer to the rural population, and be a place for their socialising and social life (facility with 5 units: an outpatient office with a pharmacy, a municipal/post office, a cinema-type hall with a stage, a club for young people with an internet corner and a pensioners' club).

Nevertheless, everything that the Government is doing – building road and railway infrastructure, supporting domestic entrepreneurs and companies, bringing in investors and creating new jobs, building sewage networks, wastewater treatment plants, sanitary landfills, improving healthcare infrastructure, decentralising culture, promoting sports even in the smallest of local self-governments, and everything else – all of that is aimed at Serbia developing evenly and in a balanced way, at young people staying in their local communities, and developing and improving them together with us.

## CONCLUSION

Dear Members of Parliament, I hereby propose the members of the future Government of the Republic of Serbia:

1. First Deputy Prime Minister, responsible for foreign policy and security, Minister of Foreign Affairs, Ivica Dačić
2. Deputy Prime Minister, Minister of Finance, Siniša Mali
3. Deputy Prime Minister, Minister of Defence, Miloš Vučević
4. Deputy Prime Minister, Minister of Culture, Maja Gojković
5. Minister of Domestic and Foreign Trade, Tomislav Momirović
6. Minister of Economy, Rade Basta
7. Minister of Agriculture, Forestry and Water Management, Jelena Tanasković
8. Minister of Environmental Protection, Irena Vujović
9. Minister of Construction, Transport and Infrastructure, Goran Vesić
10. Minister of Mining and Energy, Dubravka Đedović Negre
11. Minister of Justice, Maja Popović
12. Minister of Public Administration and Local Self-Government, Aleksandar Martinović
13. Minister for Human and Minority Rights and Social Dialogue, Tomislav Žigmanov
14. Minister of the Interior, Bratislav Gašić
15. Minister of European Integration, Tanja Mišćević
16. Minister of Education, Branko Ružić
17. Minister of Science, Innovation and Technological Development, Jelena Begović
18. Minister of Health, Danica Grujičić
19. Minister of Labour, Employment, Veteran and Social Affairs, Nikola Selaković
20. Minister of Family Welfare and Demography, Darija Kisić
21. Minister of Tourism and Youth, Husein Memić
22. Minister of Sport, Zoran Gajić

23. Minister of Rural Welfare, Milan Krkobabić
24. Minister of Telecommunications and Information, Mihailo Jovanović
25. Minister for Public Investment, Marko Blagojević
26. Minister without portfolio, Novica Tončev
27. Minister without portfolio, Djordje Miličević
28. Minister without portfolio, Edin Djerlek

Always, and at all times, remember that there is no greater honour than to serve your country and your citizens.

Finally, I want to emphasize that this year as well, 2022, is not only the year when Serbia elected the President of the Republic and showed unprecedented confidence in Aleksandar Vučić, who thus became the only Serbian president to win the first round of presidential elections twice, and with a significantly greater support from the citizens for his second term of office, getting nearly 2.3 million votes from the citizens. It is not only the year when Serbia will get a new government that will lead the country through times of crisis, but it is also the year when we stop to look at the bottom line, after 10 years of changes in Serbia.

Serbia was economically destroyed and defeated 10 years ago. Agriculture was neglected, the industries were sold off for a pittance. There was no infrastructural development. The unemployment rate was above 25%, and youth unemployment rate was more than 51%. At that time, our country, by all criteria, was at the rear end from among the Western Balkans countries. Public debt grew, while GDP fell. Sophisticated industries, such as the development of information technologies, did not even exist, and even when we said, 10 years ago, that this was our chance for development, Serbia faced an enormous economic uncertainty, a rise in unemployment rate and poverty, and the absence of prospects for young people. All this created serious political and general social instability.

In 2012, the citizens of Serbia were looking for changes and a way out of the crisis. The citizens were looking for political and economic stability. The citizens demanded attitudes based on principles and nationally responsible policies from their elected representatives, they demanded protection of national interests, and stabilisation of the economy. They wanted to save Serbia from fall.

The Serbian Progressive Party (SNS) and the coalition gathered around our party took responsibility for Serbia under such difficult circumstances. Through our work, together with the citizens, and with an approach based on sound principles towards our political partners, in the previous 10 years the Serbian Progressive Party brought political stability. From then on, the President of the Republic, Aleksandar Vučić, the SNS and our coalition, have received strong democratic legitimacy and support from the citizens for the implementation of the policy of ensuring peace, stability, dialogue, and progress.

With dedication, determination and hard work, Serbia moved forward. Through commitment and courage, and with the sacrifices made by the people, Serbia rebuilt a chance for future generations. From a country of collapse, one step away from bankruptcy, we have come to a society of opportunities. The Serbian Progressive Party, under the leadership of Aleksandar Vučić, implemented reforms that stabilised public finances, attracted investments, and created jobs.

Over the last 10 years, we have built and reconstructed 135 healthcare institutions. The Niš Clinical Centre, which we opened in 2017, is the first ever fully completed clinical centre in the history of Serbia. We built about 350 km of motorways and rehabilitated about 3,200 km of the state road network: we completed the construction of the entire Corridor X, built the motorway to Pakovraće, started the construction of the Morava Corridor. We reconstructed and built 856 km of railways, including the first high-speed railway in Serbia, Belgrade–Novi Sad; we opened 4 science and technology parks, in Belgrade, Novi Sad, Čačak and Niš; we founded 3 new scientific institutes, the first newly founded scientific institutes after the times of the SFRY; after 10 years of its being closed, we reopened the Museum of Contemporary Art in Belgrade, and the National Museum after 15 years; we introduced computer programming into schools, connected all schools to the Internet; we established the Fund for Science; we increased the budget for film production in Serbia more than 100 times; we amended the Constitution of Serbia in order to ensure the depoliticisation of the judiciary, so that 2009 would never happen again; we introduced the most developed electronic government in the region; we built two facilities of the State Data Centre; and we have had many other achievements in all fields.

However, it is the political and economic stability that is the greatest achievement of our many years of work. Political stability has enabled us to fight for the national interests of our people. If we had not reached this level of political and economic stability, there would not even be the “Serbia 2025” plan, we would not have been able to rebuild our military, to make independent decisions about the future of our people, to protect our cultural and historical heritage, and to make plans to promote childbirth and family welfare. We would not have been able to lead a successful fight against organised crime. We would not have been able to join the global fight to preserve the environment, and we certainly would not have been able to properly engage in the fight to save the lives of our citizens in the conditions of an unprecedented global pandemic caused by the COVID-19 virus.

Without political stability, we would be yet another country in trouble, a country for which and about which decisions are made not by the citizens of that country, but by foreign powers, according to their interests. There are too many of such powers in the world today, and even in our vicinity. In our case, political stability is a prerequisite for economic stability, and economic stability means the possibility for our citizens to plan their future. Stability means predictability for us today and for our children tomorrow.

Ten years ago, the average salary in the Republic of Serbia was EUR 330. By the end of this year, the average salary will be nearing EUR 700. This trend will continue in 2023, with a planned increase in the public sector salaries of 12.5%, while salaries for the military personnel, officers, non-commissioned officers, will be increased by 25%. In 10 years, we have more than doubled the average salaries in our country.

Ten years ago, there were 1.86 million employees in Serbia. Today, there are 2.3 million employed people in Serbia, which means that in just 10 years we have created around 440,000 new jobs. Unemployment rate 10 years ago was 25.9%. Today it is 8.9%.

The minimum salary was RSD 19,447 10 years ago, with a record unemployment rate of 25.9%. From 1 January 2023, the minimum salary will be RSD 40,020.

The average pension in the Republic of Serbia, from 1 January 2023, with the planned increases starting from 1 November this year and 1 January next year (cumulative increase will be between 20.2% and 20.8%), will be around EUR 320. The average pension 10 years ago was EUR 203.

The exports of our ICT sector will be more than EUR 2.5 billion this year, and in 2012 it was EUR 375 million. In just 10 years, we have increased the export of our brainpower, knowledge and innovation almost 7 times, and we did it only by believing in our people, in their knowledge and talent, and providing them with the conditions for work.

This year, our GDP will be around EUR 60 billion. Just 10 years ago, in 2012, it was EUR 33.7 billion, which means that in less than 10 years we created close to EUR 30 billion of additional, new value for our citizens. We practically doubled our GDP in 10 years!

All this clearly shows how much Serbia has changed and progressed in the last 10 years, despite all the problems it faced: the migration crisis, floods, the coronavirus pandemic, and the world-scale conflict in Ukraine.

This Government, and all its members, must understand the gravity of their task and the burden of responsibility they must bear. In the years ahead, despite everything, we must find strength and ways to preserve all that we have developed and built in recent years, and we must find space for Serbia to continue with its progress, and I am convinced that a modern, strong and free Serbia will continue to win.

For our people and for our Serbia.

Long live Serbia!