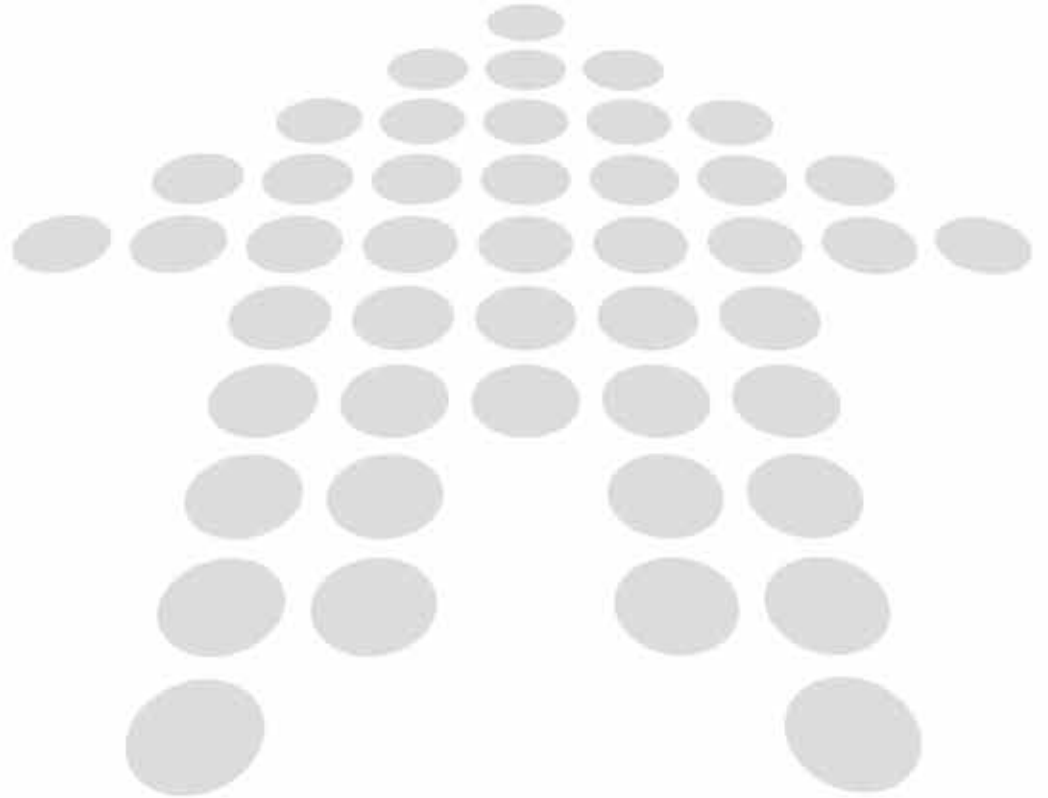


AGENDA 2021

TOGETHER FOR BETTER BUSINESS CONDITIONS









EDITORIAL
aim team

WITH SPECIAL THANKS TO
Milica Stefanović, NALED
Ivan Radak, NALED

ART DIRECTOR
Branislav Ninković
b.ninkovic@aim.rs

PHOTOS
Zoran Petrović
Nemanja Jovanović

TRANSLATION
Halifax Translation

OFFICE MANAGER
Svetlana Petrović
s.petrovic@aim.rs

EDITORIAL MANAGER
Neda Lukić
n.lukic@aim.rs

SALES MANAGERS:
Biljana Dević,
b.devic@aim.rs
Vesna Vukajlović,
v.vukajlovic@aim.rs
Mihailo Čučković
m.cuckovic@aim.rs

FINANCIAL DIRECTOR
Dragana Skrobionja
finance@aim.rs

GENERAL MANAGER
Maja Vidaković
m.vidakovic@aim.rs

PUBLISHER
Ivan Novčić
i.novcic@aim.rs

DIRECTOR
Ana Novčić
a.novcic@aim.rs

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Prote Mateje 52, 11111 Belgrade 17,
PAK 126909, Serbia
Phone: +(381 11) 2450 508
Fascimile: +(381 11) 2450 122
E-mail: office@aim.rs
www.aim.rs

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GRADIMO ČVRSTE VEZE I SA NOVIM IMENOM

Povezujemo ljude i prirodu vodeći računa o potrebama budućih generacija.
Zato je naša veza čvrsta.



100 Recommendations For Better Working Conditions



For the economy to keep turning despite the Covid-19 pandemic, institutions must try harder to find comprehensive rather than partial solutions to create better working conditions in 2021

For 13 years now, the Grey Book by NALED has been pushing the boundaries in the efforts to establish a predictable and favourable business environment in Serbia. Ensuring efficient procedures is one of the key steps toward the achievement of that aim. However, such victory cannot be achieved by an endless search for secret passages through the administrative system but by defining solutions everyone will be willing to implement.

Sometimes we refer to the Grey Book as the “regulatory Bible” the economy and public administration should always go back to. Truly, no such publication (and there are many that deal with issues related to the bureaucratic system) is that comprehensive. The success of the Grey Book lies in the fact that it does not aim to place all the responsibility on public administration expecting the decision-makers to take notice of and do something about the issues because that will never happen.

All the descriptions of the procedures to be eliminated or simplified consist of thorough lists of articles of various laws and regulations that complicate bureaucratic procedures. Also, all the unnecessary steps that must be taken and the expenses of such procedures are included, when applicable. The descriptions of identified issues are always accompanied by possible solutions, with clarifications on how the work and regulations of the public administration can be modified.

The Grey Book is a list of guidelines for relevant institutions, telling them how to do their work efficiently and which steps to take in order to reach the desired aims to the satisfaction of everyone involved.

The choice of the issues that could be included in the Grey Book is always very wide. Therefore, in each edition, we strive to select 100 procedures that would be the most useful in helping improve the circumstances in most sectors of the

economy and enable significant savings in various business procedures.

In the previous 12 editions, there were 268 unique recommendations, out of which 72 have been completely solved, and 59 have been partially solved, which means that almost half of the recommendations have found their way to the legislators.

I would like to remind you that, in the previous years, the Grey Book has contributed to eliminating excessive administrative procedures, leading to the simplification of the process of obtaining construction permits and real estate rights registration, introduction of electronic taxation for flat rate entrepreneurs, simplified electronic procedures for the registration of seasonal workers, electronic tax certificates and electronic public procurement processes.

The list is long, but I would also like to remind you of the already improved procedures (some of which were improved as long as a decade ago). Nowadays, it's even



The Grey Book is a list of guidelines for relevant institutions, telling them how to do their work efficiently and which steps to take in order to reach the desired aims to the satisfaction of everyone involved

hard to remember how many issues we used to have. Some of the improvements are as follows: certificates can now be older than 6 months, and they no longer have to be submitted at counters; employment record booklets are no longer used; health cards are renewed automatically; procedures for the submission of financial reports have been simplified, as well as the procedures for mandatory daily takings deposit; simplified TIN obtainment, employee registration, payment of taxes and contributions, etc.

This year's issue of the Grey Book (No 13) also contains 100 new recommendations. It differs from previous editions in that 15 of the recommendations have the Covid-19 badge. This is the result of NALED's realisation that, in these trying times, the strategic priorities have, understandably, switched toward the most essential issues – the preservation of human lives and workplaces.

If we look back at the year behind us, we see that, despite pandemic circumstances, the reforms were not completely halted. In 2020, institutions managed to carry out 13 recommendations from the

previous edition, out of which 2 were fully implemented and 11 were partially implemented. Although this is the usual score when it comes to the implementation of Grey Book recommendations in the previous 12 years, we are not completely satisfied. In order for the economy to remain functional in the difficult circumstances imposed by the COVID-19 pandemic, institutions must make greater efforts in finding comprehensive rather than partial solutions aimed at establishing better working conditions in 2021.

Cooperation is the key to success. It comes as no surprise that, year by year, the majority of the recommendations (almost a third) are directed at the Ministry of Finance (in the previous years, that number rose to 40%, but the sector in charge of finance has made numerous improvements in the last few years). They are immediately followed by the recommendations related to multiple sectors at the same time. Their implementation requires an inter-sectoral approach. We are faced with ever more complex reforms, so coordination and equal efforts by all institutions are key to achieving the maximum, particularly if we include comprehensive public-private dialogue in the process of

coming up with solutions, in which public administrative bodies will consider the suggestions of those the procedures will be applied to, whether they come from the area of the economy or the civil sector.

The adoption of the majority of recommendations is the result of direct cooperation between the Government of Serbia, international institutions and NALED. We are very thankful to Prime Minister Ana Brnabić and the ministers for trusting us. We are confident that together we can work on the implementation of the Grey Book recommendations more efficiently to mitigate the consequences of the pandemic and boost the economy.

We are also very grateful to the European Union and the governments of Germany, Great Britain, Sweden and the USA, the European Bank for Reconstruction and Development and others whose donations proved them to be reliable partners in the development of Serbia year by year.

Finally, the Grey Book would not be the "regulatory Bible" if it was not backed by its true believers – the NALED members, who possess the energy and motivation to help us make Serbia a great place to live and work in.

Dialogue Is The Best Path To Successful Reforms



What has enabled us to initiate major changes is the synergy we have created by bringing together companies, local governments and civil society, ready to dedicate their time and capacity to achieving the goals of our association, with the involvement of academia and the wider professional public

“In a society where many meddle in all trades, NALED is one of the rare organisations that does only what it knows best.” In a sea of descriptions used for NALED, it is difficult to find one that sums us up better. Expertise, independence, innovation, integrity, courage, those are just some of the values we cherish.

We are unwaveringly persistent because we use analysis and data to offer solutions for every shortcoming we point out.

Owing to our approach, we have grown from 17 to over 310 members. We started out with one staff member only to have 80 now, and we have implemented over 160 projects to improve working conditions in Serbia. All that in just 15 years. Today, our

organisation is a crucial partner of the Serbian government and institutions relevant to critical reforms of the business environment. We are members of over 50 working groups that draft regulations, and we have published over 550 research papers and similar publications that shed light on many areas that need change.

The project ‘Public-Private Dialogue for Development’ particularly stands out among other successful projects. We understood the importance of this topic for future regulation and changes to the working atmosphere, and we set out to strengthen the ability of businesses, professional associations, other civil organisations and state institutions to cooperate and create solutions together. This is the kind of

reform we need most.

The advantage and strength of NALED is precisely that it has learned the importance of dialogue within its own framework. We are still the only organisation in Europe that brings together private, public and civil sectors to create better working conditions. NALED members are crucial for our involvement in reform. They analyse data, comment on regulation or draft it, provide donor support, communicate with ministries and carry out activities.

This kind of dialogue allows us to reach solutions beneficial for all sectors. Such solutions acknowledge their needs and interests and focus on the common good, rejecting individual wishes and intentions. That makes NALED’s suggestions valuable and

Dialogue within our organisation allows us to reach solutions that satisfy the needs and interests of the public, private and civil sectors, focusing on the common good



allows them to reach decision makers.

In addition to offering solutions, NALED has another important feature, as it helps institutions implement public policies, from drafting regulations and creating software to training officials to implement new regulation.

Finally, NALED monitors how new public policies are implemented, and reacts when necessary. We act based on specific data and figures.

Instead of focusing on many smaller projects, we have set up our resources in a way that allows us to develop the very foundations of the Serbian business environment. Our members work together under thematic alliances focused on systemic areas, e.g. combating the grey economy, developing e-Government, reforming agriculture and healthcare, improving property relations, planning and construction, and protecting the environment. What has enabled us to initiate major changes is the synergy we have created by bringing together companies, local governments and civil society, ready to dedicate their time and capacity to achieving the goals of our association, with the involvement of academia and the wider professional public.

Another important activity consists of drafting the first strategic document on combating the grey economy and establishing the first common body for the public administration, business and the civil sector. This body would define and implement measures to reduce business ventures in the grey zone. The National Programme for Suppression of the Grey Economy has encouraged an important breakthrough, particularly for inspection reforms, digitalisation of the fiscal system, flat tax reform and registration of seasonal workers, while encouraging entrepreneurship and strengthening tax culture.

Similar results were achieved by forming a joint government group to improve Serbia's position on the World Bank's Doing Business List, professionally supported by NALED. This move would allow change in 10 areas important for existing businesses and potential investors, as these issues had been only selectively touched upon by individual institutions, with no interde-

partmental cooperation.

Construction and issuing construction permits constitute another issue crucial for economic development. An effort to revolutionize these processes has already begun, coupled with reformed cadastre registration, urban and spatial planning, and solving legalisation and land conversion issues.

We think that similar far-reaching results will soon be achieved in other strategic areas. e-Government has come a long way, followed by digitalising agriculture and healthcare and a growing number of activities in environmental protection.

This issue is all about the Grey Book. Its contents are important and practical, but it is just one of the many ways to influence change, pinpoint obstacles to business and offer solutions. These changes were initiated by members of NALED, so don't miss the opportunity to join NALED and write your name among the founders of the new business environment in Serbia.



AGENDA FOR A NEW GOVERNMENT

On its traditional annual conference, NALED has presented the new, 13th edition of the Grey Book, confirming the reforms priorities and measures to support the economy during pandemic times, together with Government and international community leaders.



SIVA KNJIGA 13

*Preporuke za uklanjanje administrativnih
prepreka poslovanju u Srbiji 2021.*



NALED's Key Guidelines Are Crucial For A Successful Partnership

At its 13th annual conference on economic reform, NALED with its members and partners presented its traditional 100 recommendations in the Grey Book, whose goal is to rapidly overcome the effects of the pandemic and improve conditions for doing business and investments.

The first panel 'Together for Fair Competition' was addressed by Deputy Prime Minister of the Serbian Government and Minister of Mining and Energy Zorana Mihajlović, German Ambassador H.E. Thomas Schieb, and Swedish Ambassador H.E. Jan Lundin. The conversation was moderated by Ivan Miletić, President of

NALED's Fair Competition Alliance.

Željko Tomić, President of the NALED e-Government Alliance, led the second panel entitled 'United Towards Digital Economy'. He spoke with the Minister of Labour, Employment, Veteran and Social Affairs, Darija Kisić Tepavčević, the Ambassador of the United Kingdom H.E.

Sian McLeod, Head of the EU Delegation to the Republic of Serbia H.E. Sem Fabrizi, and director of the IT and e-Government Office, Mihailo Jovanović.

Prime Minister of Serbia Ana Brnabić then addressed the participants. She dedicated her speech to future prospects in 2021.



"Last year was quite difficult not only for Serbia, but for the whole world, as we faced unexpected challenges. In the midst of the pandemic, Serbia managed to do two fascinating things: it had the lowest drop in GDP in Europe, only 1%. Furthermore, it had the second highest vaccination rate in Europe, but came second to none in the number of revaccinated people. We couldn't have imagined such results a year ago." This was how Prime Minister Ana Brnabić began her address, adding that these successes serve as an incentive for the government to continue reform, and a reminder that this wasn't pure luck, but a result of dedicated reforms and recent financial consolidation of the country.

ANA BRNABIĆ, PRIME MINISTER OF SERBIA

The Government and NALED have a common goal – further digitalisation

She said that 2021 would also pose many challenges, and added that that the government was trying to strike a balance between the population's health and the healthcare protection system, business activities, the economy and life. Support for people and businesses will be provided again this year: the third package of state aid is worth 250 billion dinars, and more than 6 billion euros have been allocated since the beginning of the crisis.

Speaking about the importance of simplifying administrative procedures, Brnabić emphasized digitalisation and its benefits for companies and the public, which became particularly evident during the pandemic, illustrating this with the fact that state administration and local governments had exchanged 22 million pieces of information since 1 June 2017, meaning that people didn't need to visit a counter 22 million times.

"I'd like to thank NALED for their long-term support to reform, and their help to

identify crucial steps in reforms and to carry them out, so that Serbia can become a country where business will be easier and where our people will have better quality of life", said the Prime Minister.

The Serbian Government and NALED share a focus on digitalisation, and many of the measures the government adopted in 2020 were the fruit of their cooperation: introducing electronic public procurement and electronic delivery of cadastral and tax decisions for sole traders on flat rates. Other fruits are common deliberations on removing administrative obstacles through modern digital solutions in both the state administration and in healthcare, agriculture, international business and other areas.

"When I look at the 10 priority recommendations of Grey Book 13, I see the common denominator for most of it is digitalization. I can promise that we will do our very best to resolve most of it", she concluded.



ZORANA MIHAJLOVIĆ,
DEPUTY PRIME MINISTER AND
MINISTER OF MINING AND ENERGY

We are fighting systemically for easier business in Serbia

Deputy Prime Minister and Minister of Mining and Energy Zorana Mihajlović, who has closely cooperated with NALED on various reforms that have allowed Serbia to climb the World Bank's Doing Business List, announced the continuation of reforms that would help Serbia reach the top ten countries for ease of doing business.

Mihajlović announced joint efforts for more efficient electrical grid connection procedures, which could also help Serbia rank better on the Doing Business List. "Serbia is currently 94th on the list for grid connections, but I believe we can make it to No 22 with more efficient procedures", said Mihajlović adding: "If we could improve the issuing of building permits in such a way that we are now the 9th most efficient country on that criterion, then there is no reason we shouldn't rank higher on other points".

She said that businesses know very well what good procedures are, and how cooperation with NALED "has shown that we can improve business conditions every year". Mihajlović mentioned that not one investor left Serbia in 2020, and pointed out that despite the circumstances the government managed to adopt an action plan for 2021-2023 to further improve business conditions. She also mentioned the importance of support from the German development cooperation and their programs being implemented with NALED, whose goal is to continue the systematic fight against the grey economy and corruption.



H.E. THOMAS SCHIEB,
AMBASSADOR OF GERMANY TO SERBIA

The Grey Book provides important guidelines for bilateral cooperation

German Ambassador H.E. Thomas Schieb said that many German companies intended to reinvest in Serbia, and especially praised the electronic registration of seasonal workers. NALED and GIZ worked together on this procedure, which allowed 44,000 seasonal workers to be registered, while five million euros were paid in contributions and taxes. He also said that NALED's Grey Book provided important guidelines for planning bilateral cooperation in the programmes of GIZ and KfW. He announced the continuation of support for measures aimed at improving the business climate in Serbia, but also the transparency of business – with a special focus on non-cash and online payments. He also paid tribute to NALED for its contribution to overcoming economic problems created by the pandemic.

"We still need to fight the grey economy, which is very pronounced in Serbia", said Schieb, citing the negative aspects of the situation such as slower economic growth, irregularities in the labour market, weakening tax discipline and the development of corruption, which all together, "hampers Serbia's entry into the EU and is an obstacle to fair competition".

In contrast, transparent business conditions appeal to investors from all over the world, including Germany, which increases the volume of investment. Such a policy creates new jobs, especially for youth.

Speaking of good practice and the German experience, Schieb said that the grey economy there amounts to some 10%, and that combating it still proves challenging for the government. He pointed to 2019 data showing around 16,000 criminal proceedings against those who did not follow the law and operated in the grey zone.



H.E. JAN LUNDIN,
AMBASSADOR OF THE KINGDOM OF SWEDEN TO SERBIA

Public procurement requires greater competition

Ambassador of the Kingdom of Sweden H.E. Jan Lundin said he was satisfied with cooperation with NALED and mentioned areas where they have begun to cooperate, especially improving electronic public procurement and wastewater treatment, where Swedish Development Agency SIDA is investing considerable funds.

Ambassador Lundin observed that the value of public procurement in Serbia constituted 8% of GDP, around four billion euros, a reasonably good result, but the EU average was 12%. "In contrast, Sweden allocates 15% of GDP for procurement, and our experience could help Serbia improve competitiveness in that field so that businesses would trust the process more and be more willing to participate", said Lundin. This is especially important for us, since in half of public procurements in Serbia there is only one bidder.

He also stressed the importance of improving the criteria for awarding public contracts so that contracting authorities take into consideration not just the price, but also the quality of products, services and works. The Swedish Ambassador specially mentioned how far Serbia had come since the beginning of his mandate, that improved infrastructure and business climate were visible. He underlined the importance of reforming cadastre registration, which allowed foreign investors to better understand investment opportunities in Serbia make easier decisions.



H.E. SEM FABRIZI,
HEAD OF THE EU DELEGATION
TO THE REPUBLIC OF SERBIA

Digitalisation helps EU accession

Head of the EU Delegation to the Republic of Serbia H.E. Sem Fabrizi talked about digitalisation as an important aspect of reform. "Digitalisation is what links reforms", said Fabrizi, referring to the importance of this topic in the European Union. Digitalisation and the green agenda are EU priorities and the digitalisation process can help Serbia join the EU and improve working conditions.

Fabrizi noted the EU's continued support towards European integration and mentioned strong economic ties: "About 60 to 70 percent of Serbian trade and investment come from the EU. The more Serbia invests in its green and digitalization policy, the more it fits into European plans for economic reform."

He also pointed out the importance of the Economic Reform Programme, a detailed plan on how to improve the management of reform in Serbia, and noted that the EU provided a range of financial instruments for 2021-2027, for the Economic and Investment Plan for the Western Balkans, with the aim to help all countries including Serbia continue their growth with the EU. The plan is to mobilise between 25 and 28 billion euros for the region over the next seven years to invest in reforms and all major drivers of economic development.

There is also a focus on developing the regional market, and Fabrizi assessed that Serbia was doing a lot to help make the Western Balkans more appealing for investment. He pointed out that the goal was to prepare an agenda that will cover all areas of development in detail, from tax policy to environmental protection. "A good business environment is something we support for Serbia to continue its road towards the EU, while NALED is one of our best partners on this road", concluded Fabrizi.

"Many NALED recommendations are also our recommendations, and we find them very useful", he added.



H.E. SIAN MCLEOD,
AMBASSADOR OF
THE UNITED KINGDOM TO SERBIA

Cadastre reform has improved business conditions and the rule of law

The Ambassador of the United Kingdom, Sian McLeod, praised the digitalisation of the registration process as a way to help the construction sector and the real estate market, while contributing to improving business conditions and the rule of law. It is a reform supported by the UK's Good Governance Fund in cooperation with NALED, and implemented together with the Ministry of Construction, the Ministry of Justice, the Republic Geodetic Authority and other ministerial institutions.

She observed that the Good Governance Fund especially supported projects focused on digitalization and development of e-Government services, as those two areas are crucial to a modern in the service of its people and companies. Since 2015 the fund had financed over 65 projects to a total of 20 million pounds.

McLeod said that the Good Governance Fund supported another important reform initiated by NALED – expanding the electronic registration of seasonal workers in agriculture to new areas of work. She added that this would be an important achievement, guaranteeing the rights of workers who have mostly been working illegally. In that context, the ambassador especially referred to the importance of regulating the status of 'freelancers', as she was familiar with their position from personal experience in her own youth.

The Ambassador expressed the hope that digitalisation in Serbia would reach the field of environmental protection to reduce the impact of climate change.



DARIJA KISIĆ TEPAVČEVIĆ,
MINISTER OF LABOUR, EMPLOYMENT, VETERAN
AND SOCIAL AFFAIRS

Together we can regulate non-standard forms of employment

Minister of Labour, Employment, Veteran and Social Affairs Darija Kisić Tepavčević, thanked NALED for systematically recognizing the need to regulate the status and rights of workers in seasonal and occasional jobs and for proposals to resolve the issue. She said that "due to good results with the registration system in agriculture, the Ministry has recognised the need to expand the registration of seasonal workers to construction, tourism and hospitality, and domestic work".

She also pointed out that cooperation with NALED was important to regulate the rights of those engaged by foreign employers, through online platforms and all other non-standard forms of engagement.

She said that new forms of employment are present all over the world due to technological development: "Various types of non-standard employment have increased by 53% in our country as well. Part-time engagement has also increased significantly. Although part-time work makes up about 10% of total employment, still only half the EU average, it reminds us that we must be ready for the future and need to adjust certain regulations and that a whole list of regulations are being prepared.

"We have recognized all the recommendations that NALED has systematically presented in the Grey Book. These are the guidelines we will work on in the coming period", said Kisić Tepavčević.

Overview Of Reforms Carried Out In 2020

In 2019, reforms were in full swing, but last year's Covid-19 crisis gave little room for working on systemic reforms, the focus of institutions was on preserving public health and preventing a potentially dramatic decline in business. In 2020, however, some of NALED's long standing vital recommendations were implemented.

A state of emergency was declared already in the first quarter, so the capacities of the public administration were focused on preventing the spread of the virus. Regulation was focused almost exclusively on adopting rules on the movement and gathering of the population and the work of businesses.

NALED responded to the social challenges by proposing measures to support businesses, joining the government's efforts to preserve not only public health but also businesses and jobs.

Addressing the challenges of the pandemic, NALED formed the Covid-19 digital platform (www.naled.rs/covid19) during the first days of the emergency to identify problems and solutions, provide legal assistance,

inform businesses and the public and collect donations for the most affected local communities and health facilities.

On the declaration of the state of emergency, NALED was the first to introduce a set of 10 priority measures followed by many sector recommendations. Their adoption and the joint activities of the government and business associations successfully helped many to survive the crisis. Serbia's fall of only one percent of GDP was an exceptional result in Europe, where drops were calculated in double digits. APR business data and the positive net result of RSD 433.5 billion, better by a fifth than the year before, and 43.500 new jobs in companies submitting financial reports confirm this. When sole traders are

added, last year ended with 10,000 businesses more than 2019.

10 PRIORITIES TO SAVE BUSINESS

3 out of 10 of NALED's priority measures for supporting businesses and preserving jobs were adopted in the first support package by the government: the possibility of deferred payment of taxes and contributions without interest and access to cheap or interest-free loans to provide liquidity and refinance liabilities; a recommendation for direct financial support to businesses; and a moratorium of at least three months on the repayment of loans to banks and all state duties. A recommendation by NALED and other philanthropic organizations on the abolition of VAT





on donations during the state of emergency was also adopted.

EMERGENCY MEASURES IN HEALTHCARE

The crisis committee accepted several of the 15 emergency measures recommended by NALED concerning operation of healthcare system under Covid-19. The first was to cancel the decision to ban the export of medicines, which enabled the uninterrupted supply of previously planned quantities to countries in the region and avoided shortages, especially of medicines not related to Covid-19. On our initiative, expired prescriptions were automatically extended for patients with chronic diseases (so-called electronic therapies) through the eReceipt application. This measure was carried out despite

certain technical difficulties in practice. Also adopted was our recommendation regarding electronic application for obtaining a license to operate vehicles for delivering medications and medical devices during curfew.

HELP FOR FARMERS

The government accepted three of NALED's five emergency measures to help farmers and beekeepers. On our initiative financial assistance was provided for agricultural holdings - two regulations were passed securing assistance of RSD 2.6 billion for farms, and one of RSD 236 million that covered the purchase of surplus fattening cattle. Although needed, this solution offered only a short-term respite, primarily for small farmers. NALED's initiative also

NALED responded to the social challenges brought by Covid-19 by proposing measures to support businesses, joining government efforts to preserve not only public health but also businesses and jobs

allowed the farmers to apply electronically for a permit to work their fields during the state of emergency. Unfortunately, the paperwork for both the public administration and the farmers created a great problem because they had to obtain individual permits for each day of work. In addition, farmers over the age of 65 were not allowed to visit their fields. One of the positive measures was the launch of the ePi-jaca portal, which initially established

a register of agricultural producers. However, nothing could be ordered or paid directly through the portal.

SUPPORT TO THE CONSTRUCTION INDUSTRY AND TRANSPORT

NALED also submitted a proposal for 20 measures supporting the construction industry and the infrastructure and transport sectors. Thanks to the coordination of the Ministry of Construction and the Ministry of the Interior, some filling stations were opened all day throughout Serbia where trucks were allowed to move, preventing the formation of large convoys of trucks at the border. In addition, a green corridor was introduced in May to allow trucks to cross borders in the Western Balkans, which boosted foreign trade and enabled a regular supply of goods. The Ministry of Labour accepted the recommendation to move the expiry date of 2019 annual leave to the end of 2020, helping employers organize work during the state of emergency. Additionally, NALED's recommendations to obtain permits electronically for the movement of goods transport were adopted. Help of around EUR 200 million was also provided for the roads to partially compensate for the loss of income.

Unfortunately, one of NALED's important recommendations, to secure deferred payment of contractual obligations to the state, and the urgent settlement of obligations to transporters by the state was not realized. In fact, the opposite was done. The Ministry of Finance informed local governments to postpone the payment of agreed obligations.

SINGLE CONTACT CENTRE FOR INSPECTIONS

To prevent market irregularities like illegal increases in the prices of food, medicine and protective equipment during the pandemic, five days after the declaration of the state of emergency a single contact centre for inspections was established. The Contact Centre was launched by the Government in cooperation with NALED and with the

support of the European Bank for Reconstruction and Development, and the Ministry of State Administration and Local Government, the Support Unit for the Coordination Commission for Inspection Supervision and the Office for IT and eGovernment played a key role. Individuals and businesses could report any observed irregularities or grey economy issues by phone or online via the website inspektor.gov.rs. Operators filtered the information received, directed it to the responsible inspections and further action within the legal deadlines. During the pandemic, about 1,600 reports were received per week, only to rise by the end of January 2020 to 16,000. People could also report violations of anti-pandemic measures to the contact centre.

AN EFFECTIVE VACCINATION APPLICATION SYSTEM

During 2020, the Government's expert team and the IT and eGovernment Office worked on establishing a single vaccination management information system, which ranked our country at the very top in Europe in organizing immunization of the population. In January 2021, mass vaccination of Serbians began, with the electronic system enabling efficient management of available vaccines through monitoring each bottle from its entry into the country to its use. The system also enables all interested residents to apply for vaccination through the eGovernment portal by filling out an online form, or through the contact centre, and then receive their vaccination appointment via SMS and e-mail.

REFORMS HAVE NOT BEEN STOPPED

Despite the challenging situation and judging by the results of the recommendations of the Grey Book 12, reforms did not stop. During 2020, two recommendations were fully implemented, while 11 were partially implemented. Given the overall situation of the coronavirus pandemic, what has been achieved so far can be considered

the result of extraordinary efforts. Although this result is in line with the resolution average of the previous 12 years, we believe that because of everything we have gone through, the challenges of reform in 2021 should be addressed with more agile adoption of comprehensive solutions, to prepare Serbian businesses for post-pandemic conditions.

Last year, the Ministry of Finance fully or partially implemented most of NALED's recommendations, which is in line with the number and importance of Grey Book recommendations that are in the scope of work of this ministry. Implementation of electronic public procurement began in 2020, and the long-awaited new Law on Fiscalization was adopted, which will modernize and digitize retail sales and processing of fiscal cash register data in real time. Also, this regulation will enable the

Given the overall situation of the coronavirus pandemic, the reforms enacted can be considered the result of extraordinary efforts, but the challenges to reform in 2021 should be addressed with a more agile adoption of comprehensive solutions

fiscalization of most business entities that had no obligation to issue fiscal invoices so far.

The first step towards the complete abolition of the obligation to submit proof of payment was made with fees for courts, since their central collection system has been established. Reduction in payroll deductions also went ahead although they are still insignificant, and new electronic tax services were introduced on the ePorezi portal.

The following ministries have partially adopted the recommendations of Grey Book 12: Ministry of Health – working on a plan to optimize a healthcare institutions network and solving the problem of state pharmacy debts;

Ministry of Trade, Tourism and Telecommunications and Ministry of State Administration and Local Self-Government – further developing eUprava in Serbia, from establishing the Central Population Register to eDelivery; Ministry of Labour, Employment, Veteran and Social Affairs – started expanding the system for simplified registration of seasonal workers; National Bank of Serbia – work on simplifying procedures for assigning claims.

The Ministry of Finance and the Ministry of Construction, Transport and Infrastructure, together with the Republic Geodetic Authority, are responsible for the complete resolution of two recommendations in 2020.

ELECTRONIC PUBLIC PROCUREMENT

An important advance was made in establishing an electronic public procurement procedure based on the Law on Public Procurement adopted during 2019, from 1 July 2020 when the provisions of this law began to apply. All communication between contracting authorities and potential suppliers in public procurement processes from the moment of the invitation, through the submission of bids, till the conclusion of the contract, is done through the public procurement portal which is publicly available on jnportal.ujn.gov.rs.

During 6 months of use, about 10,000 advertisements and public calls were published, and little more than 11,000 procedures were conducted, which shows the system was rapidly accepted.

eDELIVERY OF REGISTRATIONS IN THE CADASTRE

The reform of the registration of rights in the real estate cadastre enables citizens to electronically submit requests for registration through a public notary, and in future to receive cadastral decisions on their requests electronically. Through the eŠalter system it is possible for the solutions issued by the Republic Geodetic Authority to be delivered as an electronic document to the mailbox of the citizen. For those who have not opened an account on the eGovernment portal, a printed copy of an electronic document can be delivered by registered mail through a postal service.

Recipients have long been bothered by these registered deliveries being returned if the postal operator did not find them at the address at the time of delivery. More than 90% of decisions were not delivered. Amendments to the Law allow the shipments to be left at the nearest post office after the first unsuccessful attempt, and only after a 15-day period be returned. Additionally, in case the party does not pick up the shipment, it is published on the authority's website, and considered delivered no later than 30 days from the day of its publishing on the site.



We work
every day
to remain a
RELIABLE
business partner

we present:

-  National system of retail facilities
-  over 200 retail stores
-  Two distribution centers for delivery of neutral articles
-  Refrigeration distribution center with fresh meat processing
-  Distribution center for fresh fruits and vegetables

Loyalty program

With over 500.000 users of Kasica Brojalica.

Web application

Personalized customer service to track stocks and spending.

OnLine Shop

Web shopping portal with free home delivery.



SIVA KNJ

13. godišnja konferencija
o ekonomskim informacijama
u S



CHAMPIONS OF REFORM

This year, NALED awarded two special recognitions and one team award for prominent civil servants who confronted the year's challenges to make exceptional contributions to improving the regulatory framework for business, reforming public services and overcoming the pandemic crisis.

Special awards were also presented to media figures for promoting reforms and ensuring high quality reporting on initiatives to alleviate the consequences of Covid-19.



We Are Fully Committed To The Well-Being Of Both Industry And The Public



I think we have managed to alleviate the consequences of the pandemic and to save our economy and employment, but also the health and lives of our people. I am proud to have been part of the economic crisis headquarters of the Government of Serbia

Slavica Savičić, State Secretary at the Ministry of Finance, is the winner of NALED's annual recognition for an outstanding contribution to improving the regulatory framework for business and economic measures to support the economy during Covid-19. She also played an important role in carrying out some of NALED's key recommendations to combat the grey economy, including preparing a legal framework for digital fiscalization and electronic invoicing.

What was your role in preparing the aid package to preserve the economy and jobs?

Last year was very challenging for the Ministry of Finance, as we faced a serious health and economic crisis full

of unknowns. I think that at that time, when we knew little about what awaited us, we did everything very quickly and efficiently to allay the consequences of the coronavirus pandemic. I can now see that as part of the economic crisis headquarters I had the opportunity to participate in a process of rapid and efficient decisions that preserved the vitality of the Serbian economy, the health of our people and employment. My role was to formalize all the decisions, to prepare a legal framework with my colleagues on the basis of the measures to be implemented. A further challenge was designing procedures to implement the measures. I must point out that throughout the pandemic, we have had very good cooperation between

all ministries, so we worked together on all assistance measures, both generally and by sector. Furthermore, during the pandemic the government and all institutions were absolutely committed to a successful adoption of all the measures. The biggest challenge was devising how to ensure that all the measures were carried out quickly and efficiently, so that the burden on companies and the public was as light as possible, but also so that aid beneficiaries were less exposed to epidemiological risks.

You have also made a great contribution to enforcing the measures of the National Program for the Suppression of the Grey Economy - what are the results?

I appreciate the commitment of my colleagues at NALED. I think NALED's activities and the open approach of its professionals contribute to pushing the boundaries every year with an increasing number of resolved recommendations for better business conditions



Besides crisis measures, the Ministry of Finance was committed to other aspects of improving the economic framework, so we also worked on important laws passed at the end of the year, the Law on Fiscalization and the Law on Digital Property. The Law on Electronic Invoicing is currently passing through the National Assembly. Also, the prize game 'Take the Bill and Win' had a full effect, because we received over 11 million envelopes. Everything the Ministry of Finance does is aimed at providing the best possible conditions for the functioning and competitiveness of our industry. The fact that we have implemented more than 70% of measures from the National Programme for Suppression of the Grey Economy shows how committed the Ministry of Finance is to creating conditions for fair competition.

You worked with NALED on these activities and reforms. How would you rate your cooperation?

I think we had a completely open and constructive relationship over the three years we have worked together. I appreciate the commitment of my colleagues

at NALED. I think NALED's activities and the open approach of its professionals contribute to everything that affects the efficiency of the system, allowing the boundaries to be moved every year with an increasing number of resolved recommendations for better business conditions.

Among the 100 recommendations of the Grey Book, most are always related to the Ministry of Finance. Does that worry or inspire you?

For the Ministry and the Minister of Finance, any new proposal that can improve the business environment and help industry is a challenge to find the best solutions and be practical enough to make use of any good recommendation. I think the greatest challenge this year will be to implement the recommendation to establish a single system of electronic invoicing to bring greater transparency of transactions and predictability and security of payments.

Looking at the priorities of industry, the Grey Book highlights proposals for reducing payroll deductions, establishing a public electronic register of non-tax charges, introducing a unified tax certificate and enabling

non-cash payment of fees without submitting proof of payment. What progress can we expect on these recommendations?

The Ministry of Finance will be fully committed to all proposals. Due to the pandemic, this year will be difficult too, there will be a lot of challenges, both in preparing and implementing each recommendation. In that sense, analysis, work and preparation await us, to establish the conditions for their execution.

And finally - what new things are you preparing for us in the Ministry of Finance?

Adopting the Law on Electronic Invoicing is currently underway, beginning the roll out of one of the Grey Book's recommendations. It remains for us to prepare the other elements necessary to implement this law, such as the necessary regulations and a functional platform to exchange and register electronic invoices. We are also preparing the necessary technical elements to enable the full implementation of the Law on Fiscalization from 1 January 2022. The novelty that will make people happy is that this year we will organize two more rounds of the Take the Bill and Win game, now during May and in the autumn.

Serbia Has Positioned Itself As A Country Of Innovation



In the past three and a half years, we have established the necessary infrastructure and developed many electronic services, transforming the public administration into an efficient service for people and business. On this basis we have been able to defy pandemic conditions to create new platforms and electronic services at key moments practically overnight, to ensure the coordination of healthcare, education and other key systems

Mihailo Jovanović, Director of the Office for IT and eGovernment, received the NALED annual special award for exceptional contribution to the modernization of the public administration in Serbia, which has greatly improved the efficiency of procedures between government, businesses and the public. The digital vaccination system has been recognized as an example of best practice in immunizing the population and has ranked our country among world leaders in the use of digital tools to respond to the current crisis.

At the beginning of the pandemic, the Office for IT and eGovernment immediately established an electronic

application service for PCR testing, and then for vaccination on the eGovernment Portal. How did you manage that?

For digitalization, it is important that over the past three and a half years we have established the necessary infrastructure and developed many electronic services, transforming the public administration into an efficient service for business and the public. Because of this, we have been able to create new platforms and electronic services at key moments practically overnight. These innovative solutions and electronic services have aimed to achieve optimal coordination of healthcare, education and other key systems under the pandemic, timely and accurate information for everyone and continuous provision

of services to companies and the public. Serbia has in this way positioned itself as one of the five countries in the world with the largest number of innovations during the Covid-19 crisis.

We had to respond quickly and efficiently to the need to immunize the population, so from 11 January 2021, we enabled everyone to express interest in vaccination against Covid-19 by filling out a simple questionnaire on the eGovernment Portal.

You also hold NALED's annual recognition for establishing electronic delivery of cadastral decisions through eSanduče. How does this service work and how far are we from getting other

important documents in our digital mailboxes?

Delivery of cadastre decisions to electronic mailboxes means a big change for the approximately 500,000 people involved in real estate transactions every year who no longer have to go to a counter at the Geodetic Institute. The entire procedure, from submitting a registration request at the notary and electronic submission of a tax declaration, has now been completed with the electronic receipt of the cadastre decision, and with this success we can develop e-delivery of other services.

I see the special recognition as confirmation that these achievements have made a real impact on modernising the public administration in Serbia. With the programme for the development of eGovernment, the local tax administration portal, the delivery of decisions to eSanduče on the eGovernment portal, construction and commissioning of the state data centre in Kragujevac and enabling cashless payment at municipal counters, cities and institutions have enormously improved the efficiency of all the procedures that people and companies have with the state. The vaccination information system was especially emphasized, with the organization of the vaccination roll-out itself, which is recognized around the world as one of the best examples of good practice in response to the coronavirus crisis.

Electronic delivery is linked to another project on which your office cooperates with NALED and the EBRD, and that is the eCitizen project where you work on popularizing the use of electronic services on the eGovernment Portal throughout Serbia. Why is this important?

Together with NALED and with the support of the EBRD, we have trained more than 700 administrators to work on the portal through promoting the electronic delivery of documents to the mailbox on the eGovernment Portal. Our goal is to help our citizens, businesses and those who find it difficult to deal with the digital environment to overcome the first obstacle and join the group of over a million users of e-Government services who have already become eCitizens.

In the year of the pandemic, you managed to open the first state data centre in Kragujevac. What does this mean for our country and economy?

The government has designated the construction of the State Data Centre in Kragujevac as a project of special importance for Serbia. It is an infrastructure facility of regional importance, which holds data and equipment of the state and local government, and where there is also room for commercial users. Among the first are the American IBM and Chinese Huawei, but many Serbian companies and institutions have also signed commercial contracts.

The Kragujevac centre has a capacity of almost 1,100 rack cabinets and is five times larger than the State Data Centre in Belgrade. It has two buildings of about 14,000 square meters and meets the highest standards for this type of facility - a standard that prescribes general aspects of the facility and the infrastructure required to support the operation of telecommunications in data centres (SPRS EN 50600), one standard (TIER 4) that ensures availability and another (2N) that provides complete redundancy, a duplication of all processes.

What are the first recommendations of the NALED Grey Book that you see as candidates for a quick solution and what are your priorities on the way to further digitalization?

Many of the recommendations of the Grey Book contain solutions for the digitalization of administrative procedures, and we see them all as important. What will help us a lot in all of them is the ePaper project. Under this, a register of administrative procedures will be promoted on the eGovernment Portal by the middle of the year. The goal of the Portal is to establish a single point of information on the rights and obligations of businesses in relation to the state, easy navigation through procedures and improved legal security and certainty in the conduct of the public administration. The register envisages a list of all 2,600 procedures that businesses conduct with the state, with all information related to each procedure – from the responsible authority to the procedure, deadlines, application form, required documentation, all the way to electronic

application and obtaining the necessary permits for the part of the procedure for which digitalization is complete.

By the end of 2021, one hundred new administrative procedures for business will be digitalized, in addition to all those already available on the web sites of state bodies – the Tax Administration, Customs Administration, Ministry of Finance, Geodetic institute, Business Register, Social Insurance Registry – and on the eGovernment Portal in a life event Starting a Business. Until the complete digitalization of all 2,600 procedures, we have a rather ambitious plan that envisages the digitalization of the first step - submitting applications electronically. So by the end

By the end of 2022 there will be no paper form of requests for permits, certificates, decisions or other documents for which there is an electronic version that can be submitted electronically

of 2022 there will be no paper form of requests for permits, certificates, decisions or other documents for which there is an electronic version that can also be submitted electronically.

If you were to rank the importance of services launched in collaboration with your Office, NALED and donors, what would you highlight as the service that was most beneficial to business?

Cooperation with NALED has always been excellent. Their experience with local government and with companies helps us get a clearer picture of what we need to improve. They are a very important partner for us, they supported us right from the establishment of the Office for IT and eGovernment and have been a tireless driver of transformation and digitalization of the public administration, without which we would be far from any results. I expect even more intensive cooperation with NALED because we have large projects and successes ahead of us, the wheel of digitalization has started, now there is no stopping it.

Together With NALED, We Can Do Much Better



We began Covid-19 with a large staff deficit, but we managed to maintain the quality of our work. Digitalization is one of the most important drivers of better inspections, but we also need more modern and better equipment and training for our inspectors

Dr Goran Stamenković, Assistant Minister of Health and Head of the Working Group of the Coordination Commission for the Suppression of Covid-19, won NALED's special team recognition this year for his contribution to reducing the negative effects of the coronavirus pandemic.

What kind of challenges have you met in your work during the pandemic?

Last year, Covid-19 completely occupied the personnel capacities of the Sanitary Inspection. The Border Sanitary



Inspection was fully engaged in March, April and May, the Territorial Sanitary Inspection spent two months at the border and the fight against the coronavirus continued after May 2020. A special Working Group was formed on 23 October to coordinate the Republic inspections, and it later grew into the Working Group for the Coordination of the Work of Republic and Local Inspections. When amendments to the Law on the Protection of the Population from Infectious Diseases were adopted on 13 November 2020, it was given the task of supervision in special epidemic situations.

Local inspections, primarily the communal police and inspection, were given the same authorization as the sanitary inspection, and then our joint work gained momentum, effectiveness, efficiency, but also visibility in the field.

The Sanitary Inspection, for which you are directly responsible, was among the first to implement the e-Inspector system, and introduced an electronic system for timely communication with people entering the country. What are the results?

In 2020, we held 217,771 office and field inspections, almost three times more than usual. This is an exceptional effort because more than 150,000 decisions were issued in 2020 just for home quarantine.

We began Covid-19 with a large staff deficit. Last year, we had 96

With the help of NALED, we have made a huge advance in reforming the inspection services, in the way they work and in digitalization. A good atmosphere has been created and a high-quality foundation for further progress

territorial and 26 border inspectors at our disposal, but we mostly worked with about 70 inspectors from the Ministry of Health, 18 at the border and about 40 inspectors from the Provincial Sanitary Inspection, who are separate from the Ministry of Health.

Digitalization is one of the most important conditions for even better operational work, and for digitalization we need even better and more modern equipment for inspectors.

Reform of inspections began in 2017. How do you rate the current cooperation with NALED and the EBRD?

Based on all the data, reports and experience of sanitary inspectors participating in the reform since 2017, I can say that our cooperation is extremely successful. NALED has really turned things around with the reform, created an atmosphere and high-quality foundation for further progress. We have also taken part in all this, made a great contribution, but I think we can do much better.

Magic In The Hands Of Teachers



Thanks to the dedication of teachers, it has been possible to broadcast thousands of hours of teaching and supplements for children and students in our educational institutions. This would not have been possible without the engagement of all our colleagues

In the first wave of the pandemic, Serbia switched to online classes in a flash. One of the winners of NALED's team award for its contribution to overcoming the crisis caused by the pandemic is Milan Pašić – Assistant Minister of Education, Science and Technological Development, who made a major contribution to primary and secondary school students receiving quality remote learning.

What was the greatest success, and what was the toughest challenge in such a massive undertaking?



The greatest success was organising classes during and after the state of emergency, when the immediate educational work was suspended. I don't mean just the organisation of the process, but also the enormous effort of all our colleagues - educators, teachers, principals, support staff, who supported children, students and families. The Ministry of Education, Science and Technological Development decided immediately to record classes to be broadcast on RTS2, RTS3 and RTS Planet. At the same time, teachers were prepared to record educational materials at home.

The Ministry of Education supported the competition 'Magic is in the Hands of Teachers'. Why is this competition important and what are your further plans?

In April last year, NALED and the organization for career development and youth entrepreneurship Connecting, supported by USAID, launched the first national competition for the best examples of online and project teaching in primary and secondary schools. Since the innovation and sacrifice shown by our teachers during and after the state of emergency deserves broad social recognition, the competition was supported by the Ministry, the Institute for the Advancement of Education, the Republic Secretariat for Public Policy and RTS. The results were impressive – more than 700 applications from teachers from as many as 116 towns across Serbia. A

The innovation and sacrifice shown by our teachers deserves broad social recognition, and that is why the Ministry has supported NALED in organizing a competition for the best examples of remote learning in Serbia

unique online database was created with the best examples of remote learning and project teaching, and made available to all educators in Serbia through the website www.jp.d.rs. We would like to continue cooperation on this competition in future.

Through the Public-Private Dialogue for Development project, NALED advocates project teaching and preparing our education for the 4.0 revolution. How do you see the future of project teaching in Serbia and the education system in general?

In the past few years, the Ministry has begun the digitalization and comprehensive reform of education, which I think is felt parents, students and educators. Besides digitalization, the future lies in further capacity building of our educators, and in this we can do a lot in cooperation with the civil sector and organizations such as Connecting and NALED. With them we have prepared a manual for project teaching and distance learning, translated into five languages of national minorities and distributed to all primary and secondary schools in Serbia.

We Won With Our Hearts



Profound understanding, expediency, compassion and humanity are definitely the right words to describe the relationship between the state and NALED, but also the entire Serbian business world in the past year, and I think we have shown that when we are together, there is no crisis that cannot be overcome

At the beginning of the pandemic, socially responsible companies showed great solidarity and readiness to help the state in the fight against Covid-19. The General Secretariat and Danijel Nikolić, Assistant Secretary General at the Department for International and Development Cooperation, played a key role in coordinating donations. That is why our interlocutor deserves to be one of this year's winners of the NALED team award for joint contribution to overcoming the crisis caused by the pandemic.

What did it look like in those first months of the struggle for medical



devices and equipment, and how satisfied are you with the results?

It was a great honour and pleasure to receive this recognition, which actually belongs to the entire Air Coordination team, which did a tremendous job together with the staff of the General Secretariat of the Government, the national airline Air Serbia, Milšped, UNDP Serbia, the Security Information Agency and the Ministry of Foreign Affairs.

Our work involved constant, almost twenty-four-hour coordination with the Cabinet of the Prime Minister and the Cabinet of the President of the Republic. We did everything in our power to realize the donations and procurement assured by the humanitarian efforts of the President, the Prime Minister and members of the government, with the help of our socially responsible companies and friendly countries, first and foremost to help our heroes – our health workers – to save our lives.

Which of the donations or assistance projects you have carried out have you been particularly proud of?

There were indeed challenging moments when we had five planes in the air at the same time. At a time when it was not working out for much larger and more developed countries than ours, we transported medical equipment from several towns in China – primarily respirators, protective equipment and materials, both those that were received as humanitarian aid and those procured by the Republic of Serbia. If I have to single

Although it has been challenging, knowing that we are doing such an important job has made it easy to work from the heart. On behalf of all of us – a great thanks to NALED for recognizing our efforts and thanks for what for us is an extremely important award

out an individual situation, I think it would certainly be when we organized at the same time two freight trains of over 50 wagons that came directly to Belgrade from Wuhan. At the same time we organized flights for goods that were urgently needed. The first train had a special symbolism for us because it started from Wuhan - the city where the fight against the coronavirus began, and the city that first defeated the virus.

Are donations still needed today, and how much does your cooperation with associations like NALED mean in identifying needs and potential donors?

Donations are always welcome. Now things are slowly returning to normal, and I would say that at least from the organizational viewpoint we have gone from crisis management to a well-organized system that works. The Health Fund and the Ministry of Health regularly review the needs of our health system and successfully coordinate the procurement of everything required, together with the Serbian Chamber of Commerce, which during the crisis was the biggest partner in finding socially responsible companies ready to help their country. NALED has made a major contribution by animating its members to unreservedly support us and by finding ways to ensure that no request for assistance remains unfulfilled.



One of the exceptional individuals in the public administration who received the NALED team award this year for a joint contribution to overcoming the challenging Covid-19 crisis is an adviser in the Serbian Prime Minister's cabinet, Stefan Badža

Dialogue With Industry

Soon after the outbreak of the pandemic, the Government of Serbia formed a crisis committee with the task of designing and coordinating activities to reduce the destructive impact of the pandemic. Stefan Badža, an adviser in the Prime Minister's cabinet, was a member of the economic section of the crisis committee, which maintained a constant dialogue with industry to find the best solutions. This year's winner of the NALED award supported companies of all sizes in coping with the challenges imposed by Covid-19 through daily communication with business associations, and assisted them in overcoming administrative obstacles

during and after the state of emergency. Understanding and respecting the situation in the field, he contributed to the efficient creation and implementation of measures to preserve economic activity and jobs during the crisis throughout the year. NALED was among those who inspired and advocated the establishment of a public-private dialogue between economic policymakers, industry, the civil sector and the international community through the urgent formation of a joint expert group, to provide analytical and technical support to the crisis committee to eliminate possible harmful effects of infectious diseases on the economy.

Čuva život ko čuva zdravlje.



We Achieved The Impossible!



We learned on the go, overcame obstacles, improved distance learning and all with tremendous support from teams of the Ministry of Education, Science and Technological Development and a great sacrifice from the teachers

Serbian Radio and Television provided its production capacities to the Serbian education system in an incredibly short time, so that under Covid-19, lessons would be available to all students in primary and secondary schools via the RTS platform. Ilija Cerović, acting Director and editor-in-chief of the RTS educational and scientific programme received this year's NALED Recognition for the promotion of reforms for his contribution to reforming the traditional approach to education.



What was the role of RTS and what were the results in the organization of distance learning during the pandemic?

It was a great professional challenge for editors, journalists, production staff and technicians, the entire RTS community. The educational and scientific programme suspended its regular production and directed all available resources towards the My School project. Classes for primary and secondary schools were broadcast on RTS2 and RTS3. Furthermore, a repository of educational video content for primary and secondary school students was established on the free mobile app RTS My School, on the RTS website and on the free multimedia internet platform RTS Planet. From 16 March to 15 June 2020, the public media service recorded, processed and broadcast a total of about 2,280 hours for primary and secondary schools, with test analysis of two trial final exams for junior high school graduation. This success is highlighted by the fact that in regular circumstances the educational and scientific programme annually produces an average of about 700 half-hour show.

How did your close work with teachers influence your further approach in the development of the programme and your thoughts about the role of RTS in promoting distance learning?

The closure of educational institutions due to the coronavirus pandemic has shown the importance of digital media, the Internet and technology in education. All this imposes the need for cooperation between RTS and the Ministry of Education

We are interested in continuing cooperation with NALED, the Republic Secretariat for Public Policies and other project partners, especially in promoting project teaching and distance learning

to be further developed through the creation of new and connecting the already existing audio-video material with the teaching units on the RTS Planet platform. What RTS and the educational and scientific programme no other TV have, are series that in various ways support all participants in education, develop so-called soft skills like critical thinking, non-conflictual communication and teamwork, and provide models of good practice for educators to implement teaching innovations. The city that first defeated the virus.

You cooperated with NALED on the national competition Magic is in the Hands of Teachers – are you planning any new joint initiatives?

RTS was the media sponsor of Magic is in the Hands of Teachers, which was carried out by NALED under the project Public-Private Dialogue for Development to affirm the role and competencies of teachers as supporting pillars in the development of society. The educational and scientific programme contributes the training of youth, but also all of us, for the coming age of artificial intelligence and machine learning. In this sense we are interested in continuing cooperation with NALED, the Republic Secretariat for Public Policies and other project partners, especially in promoting project teaching and distance learning.

Our Duty Is To Tell It The Way It Is



Our focus is on topics that are essential for progress in Serbia, especially social and economic progress. So we concentrate on subjects like working conditions, abolishing bureaucracy, combating corruption and equal rules for all

Aleksandar Milošević, editor of the economics column in the Danas daily paper, has won this year's NALED award for his contribution to high quality reporting on reforms and initiatives to improve working conditions in Serbia.

When you look back at the accomplishments of your editorial office at Danas, what are you most proud of?

Although it might sound like a cliché, I am most proud of our team writing for the economics column at Danas. Those people work hard to expose the



real truth behind news, expose deceptions, half-information and political spins placed by government officials. That is the main reason we are so focused on topics related to working conditions, abolishing bureaucracy, combating corruption, equal rules for all, subsidies, protection of property rights, workers' rights and spending public funds.

What are the key challenges facing independent journalism today?

I think that the term 'independent journalism' is actually a pleonasm. You're either a journalist or you're a propagandist. There is no third option. In that sense, the main issue Serbian journalism is facing today is the attempt (and a very successful one) to subsume journalism under two polar opposites, with no middle ground. Either you are for the government or you're against them. Media outlets who still believe in journalism need to actively take care not to fall into the trap of their own radicalisation. It isn't our role to tell people what is wrong with our society, we are here to show them the way things are. Those are two fundamentally different things.

Practically, media outlets that try to stay independent face a series of issues: from being completely ignored by institutions and government officials to being financially jeopardised, as they are banned from advertising public companies and institutions. Private

Media outlets who still believe in journalism need to actively take care not to fall into the trap of their own radicalisation

companies are actively discouraged and even directly intimidated from advertising in independent media.

When you look at the recommendations in the NALED Grey Book, especially the list of 10 priorities, what would you highlight as most important and would you change anything on the list?

NALED's first recommendation is to reduce payroll deductions, but I think that the second recommendation is more urgent, i.e. establishing a register of non-tax charges. Reducing payroll deductions is a complex issue that can't be fixed easily, while non-tax charges are more numerous and often completely unjustified, they don't serve the purpose they are intended for, and they are often a tax burden disguised as a fee for a service that either does not exist or its value is overestimated with the funds used for something completely different.

Another key issue that NALED acknowledges has to do with wastewater treatment. I'd also mention the reduction of harmful substances used in Serbian thermal power plants, and establishing strict control mechanisms in mining and processing to prevent further environmental destruction that will have long-lasting consequences for our health and our capacity for economic development.



WE SUPPORT ECONOMIC GROWTH OF SERBIA

Most active members of NALED from the ranks of businesses, local governments, NGOs and academia, are gathered in six thematic alliances in order to work together on defining the regulatory agenda and building a better business environment with special focus on fair competition, e-government, food and agriculture, health, property and investments, and environment protection.



NACIONALNA ALIJANSA ZA LOKALNI EKONOMSKI RAZVOJ



NALED

NATIONAL ALLIANCE FOR LOCAL ECONOMIC DEVELOPMENT

**PODRŽAVAMO EKONOMSKI
RAZVOJ SRBIJE**

The Grey Book Is An Authentic Reflection Of Our Business Environment



In 2020, only two out of 100 Grey Book recommendations were fully implemented, and only 11 were partially. Although institutions were working in extraordinary circumstances caused by the pandemic, the main challenges are essentially the administrative system's lack of readiness and ability to implement the recommendations

The Grey Book is a great contribution to shaping public policies to improve the business environment and reduce the cost of administrative procedures. It transforms economic necessities into specific recommendations to the Government of Serbia, starting from the authentic viewpoint of various economic entities working under the existing legal and institutional environment at all levels of executive powers. Recommendations

for changes come from a wide variety of economic entities differing both in size and scope of activity. They include small, medium-sized and large enterprises in almost all areas of production and services, in all parts of Serbia. This ensures the recommendations are reliable, objective and empirically obtained.

When suggesting complex solutions, we should pay attention to effects they may have on the economy and the whole

of society, and the objective limits within which the country functions. That is the role of NALED's Scientific Council, which is dedicated to understanding the true nature of the issues and corresponding recommendations, as per its mandate.

The Council analyses the aims of economic initiatives from a suitable theoretical and analytical viewpoint and points to the systemic nature of certain changes, i.e. identifying deep and complex

NALED Scientific Council supports the expert team of the Executive Office in carrying out research and analysis and devising regulatory reforms to improve the business environment



relationships between recommendations and their effects in a wider social context. This approach is vital for reaching agreement between all the interested parties, taking all kinds of economic, political and social interests into account.

The economic initiatives and recommendations can be grouped in four categories. The first contains those that are sufficiently precise and empirically and theoretically well-founded. The proposed solutions in this group are supported by all interested parties and can be achieved by amending existing laws, regulations or scientific analyses and enforcing the laws where fiscal (budgetary), administrative and organisational effects confirm the justifiability of the suggested measures.

The second group encompasses initiatives that are well-founded in legal regulations and empirically obtained data but have asymmetrical effects on certain economic entities (or sectors, or regions) and therefore require additional analysis and quantification of the effects, and compromise between interest groups (the so-called political economy of the

measures). It should also be estimated whether such initiatives should be carried out in two stages, where the first would encompass identifying the nature of the proposed solutions whose implementation is purposely postponed (for two or three years) while the necessary analysis is carried out and economic, political and social balance achieved.

The third group encompasses initiatives that must be preceded by a detailed analysis of the technical and procedural steps. They require a software solution, training on how to use it and the expansion of institutional capacities of the state and all the participants to enable finalisation and implementation. Here, NALED often works with international partners on providing support for implementation. For instance, this is the case with e-construction permits, the e-system for hiring seasonal workers and the online calculator for flat-rate taxation.

Ultimately, the fourth and most complex group of explicitly or implicitly systemic recommendations requires additional empirical research and theoretical analysis to review all the relevant economic and other effects and propose appropriate modes of implementation.

NALED faces those challenges by conducting analysis and implementing methodological guidelines. Those efforts are aimed at facilitating the quality solutions

contained in the economic recommendations. Simultaneously, such efforts should enable a better look at some crucial issues and reduce the great cumulative load of the recommendations that have become obsolete during preparation or implementation.

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Among the 10 priorities in the 13th edition of the Grey Book, those aimed at modernising the state administration, increasing transparency and reducing costs for taxpayers particularly stand out (for example eAgrar – a register of agricultural holdings and incentives, electronic health records, cashless payment of charges, unified certificates of paid taxes and modernisation of foreign exchange operations). The recommendations include those related to reducing the workload, which would be welcome if properly executed, while this requires further analysis and consultation.

Improving the wastewater management system is a very important recommendation because it reflects both an urgent need of the public and European trends.

Excess Bureaucracy Stimulates The Shadow Economy



Reducing income tax obligations and establishing transparent and predictable fee collection policies through a public electronic register of non-fiscal charges are key priorities of the Grey Book and the entire economy

Ever since the black market for salt in ancient China, states have been trying to solve the problem of illegal trade. But it is clear that this economic anomaly, as old as the first taxes, can hardly be completely eradicated. There are however always ways to work together to drastically reduce the scale and damage that this illegal activity leaves on any market that strives for equal conditions for all.

Zato je godinama unazad jedan od ključnih prioriteta Saveza za fer konkurenciju saradnja sa Ministarstvom finansija, Poreskom upravom i drugim resornim institucijama na sprovođenju Nacionalnog programa za suzbijanje sive ekonomije.



One of the key priorities of the Alliance for Fair Competition has for years been cooperation with the Ministry of Finance, the Tax Administration and other institutions to carry out the National Program for the Suppression of the Grey Economy.

It should be no surprise that half of the priority recommendations of the Grey Book 13 are directly linked to the measures of this strategic document. Every step towards simplifying procedures is a small victory against the shadow economy because excessive administrative procedures inevitably force citizens and companies to cut corners, encouraging illegal business practices.

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Besides offering financial relief for businesses to stimulate their operations, we have a big task ahead in combating undeclared work. The Grey Book recognises the need to focus on regulating flexible work forms, especially for online work for foreign employers as Serbia is among the world leaders in gig workers, and on expanding simplified employment procedures for workers in seasonal and temporary jobs, following the example of a successfully implemented reform in hiring seasonal agricultural workers.

The first recommendation of the new edition is to finish this year's preparations for the 2022 start of digital fiscalization and the system of electronic

The Fair Competition Alliance is among the oldest alliances in NALED. It is the first example of institutionalised public-private dialogue through the Government's expert group on the shadow economy. The Alliance's work has been crowned with some great developments in carrying out the National Programme, including flat tax reform, a simplified system for registering seasonal workers, a tax exemption system for new businesses, the eInspector system, the national fiscal lottery 'Take the receipt and win!', and several others.

invoices, which we have been working on in cooperation with the Ministry of Finance. Furthermore, to continue improving transaction transparency, we must work towards cashless payments, primarily by card payment or instant payment of charges without proof of payment in paper form.

As this year's tax exemption for start-ups is focused exclusively on companies with innovative activities, the Grey Book suggests extending it to all sole traders and other types of businesses to help everyone start their own business legally. Besides, there are also anti-bureaucratic recommendations, such as a unified system for collecting payments from flat-rate traders and uniform tax solutions.



We Are Embracing Digital Technologies

The MasterIndex study carried out by Mastercard showed that e-commerce has boomed in Serbia with 81% of active online shoppers, of whom 15% made web payments for the first time during the pandemic

In the battle against the shadow economy it is important to develop the regulatory framework, reduce taxes to encourage businesses to operate transparently but also to enforce a predictable inspection regime

Last year brought many changes, including in Serbians' financial habits. What have we learnt, adopted, rejected or embraced?

- With changes happening all around, one thing is certain – we have embraced digital technologies wherever possible. The convenience and safety of e-commerce are why this form of payment is surging across all categories, from settling utility bills to ordering food. Online card payments alone increased by 39%. In physical stores, contactless payments by card or mobile phone are booming, with around 75% of card transactions made by tapping. To accommodate a growing consumer preference, we increased the limit for contactless payments without PIN last year from 3,000 to 4,000 RSD. All these developments point to one thing – consumers are prioritizing practical, multi-functional and safe solutions that save them time and organically fit their lifestyle. Consumers recognize Mastercard solutions as giving them seamless consumer experience, and we will continue being there to support consumer and market shifts in times to come

What are the best ways to counter the shadow economy, in addition to

reducing income tax, regulating new forms of work and reducing fiscal and para-fiscal charges?

- High taxes, corruption, high unemployment, and a poor tax culture among people and companies are the main causes of the shadow economy. This is a highly complex issue so there is no one-size-fits-all solution. The stick and carrot measures should be well balanced to support sustainable market development, but it is arguably more important to work on educating all members of society about the actual implications of the shadow economy. When you say that it equals 10 or 15% of lost GDP, it may not mean a lot to the average person, but when you put in context and tell them it's enough to pay the salaries of all healthcare workers for the next six years or build dozens of kindergartens and schools, those are values that each of us understands and can relate to.

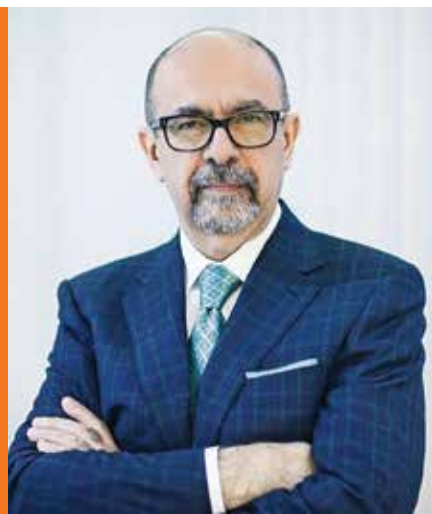
The next step is understanding that small everyday actions matter, like choosing to use cashless payments over cash, insisting on a fiscal receipt, refusing to shop with unreported merchants or reporting unregulated labour. We need to understand that the shadow economy is not an abstract concept – it is an issue that directly or indirectly lowers the quality of life and work for all of us, so we need to adopt the mind-set that paying taxes is not an expense, that operating transparently is not an option, and that all our actions and transactions are investments in the local community.



Seven years ago, NALED and socially responsible companies started the Fair Competition Alliance of which Mastercard is a member. Is it one of the best examples of formalizing the public-private dialogue?

- As a vice-president of the FCA, I would say that it's a platform for dialogue and action for both public and private sectors, and a string of successful reforms and improvements of overall market conditions proves this. FCA members – major corporate investors and employers, technology companies with international expertise, local governments and NGOs, provide valuable, real-life inputs that help the government tailor policies so that together we reach our joint goal – a modern and competitive market.

Digitalisation Against Bureaucracy



According to Grey Book recommendations, establishing full functionality of eGovernment entails completing all the necessary electronic registers, enabling ePayment of services and eDelivery of documents, and recruiting as many eCitizens as possible

The eGovernment Alliance is the largest NALED working body with 70 members, including businesses, local government bodies, public agencies, universities and faculties. Browsing through the new edition of the Grey Book, it becomes clear why there is such a great interest in this topic among all sectors of society. Since digitalisation is so important in simplifying administrative procedures, no less than 40% of the recommendations in



our 'regulatory Bible' envision switching to the digital realm.

The Grey Book recommendations can help ensure that the conditions for fully functional eGovernment are met. Above all, this entails forming all the necessary electronic registers and ensuring greater use by companies and the public. This can primarily be achieved through obligatory ID cards with a microchip and a qualified electronic certificate and by motivating people to rely on the eGovernment portal more and become fully-fledged eCitizens. We have been working on this in cooperation with the Office for IT and eGovernment, with the support of the EBRD.

Two years ago, the eGovernment Alliance began by advocating the abolition of seals, and now we focus on cancelling other relics of the past such as payment slips, and enabling electronic payment options for all government services (ePayment) whether online or at counters. Furthermore, we argue for eDelivery for all government services and all proceedings before judicial authorities, switching to eInvoices and establishing an integrated system for issuing invoices, both for the public and private sectors.

Many companies and individuals who have had the opportunity to experience all the benefits of the eGovernment system, particularly during the COVID-19 crisis, are aware that our Alliance has

No less than 40% of the recommendations in the new edition of the Grey Book envision moving our administrative procedures into the digital realm

inspired a great number of positive changes. Among other things, the Law on Archival Material and Archival Activity enabling permanent storage of business documentation in electronic form was adopted last year thanks to great efforts by the Alliance.

The Alliance is particularly proud of the eGovernment Programme for the period 2020–2022, adopted last year to create new electronic services. It introduces an eOffice and eArchive to enable users to check the status of their submissions online, review the data on them collected by the public sector and request any modifications if needed, with many other services to ensure transparency and efficiency in the public administration.

Local governments are the first point of contact between the public and companies on one hand and the public administration on the other, and we are proud we can help them stay up-to-date with the world of electronic services. We would particularly like to emphasise our contribution to the continuous training of clerks in city and municipal administrations in cyber security and data storage, together with the Republic Agency for Electronic Communications and Postal Services RATEL, with the support of the Ministry of Trade, Tourism and Telecommunications.

Dedicated To Healthcare

Heliant first contributed to the Serbian healthcare system two decades ago, when the company created the healthcare information system. In the past year, Heliant was available 24/7 to be able to fulfil all the requests coming from Covid hospitals and centres.

Even though I'd like to believe that our engineers are the ones who make Heliant great, the true power of the company lies in the fact that many smart people use our system. Their useful feedback helps us improve it. All we need to do is listen and acknowledge the user requirements - said Mr Radulović modestly.

Although more than 200 healthcare institutions in Serbia use your software daily, it was not until the pandemic broke out that it became obvious how valuable it truly is.

- Nowadays, information systems do not only serve as data storages but are also used to retrieve useful information. Our system is expandable and adjustable to different areas of medicine and, as we have seen in the past year, different working conditions too. Last year, at the very beginning of the pandemic, it took us only a day to connect the Laboratory of virology and the Clinic for Infectious Diseases of the Clinical Centre of Serbia. That way, we made over 300 documents available in digital form to avoid having to rely on the potentially infectious physical copies. We are currently developing registries for different types of disciplines in specialized medicine, mobile apps for patients and our own data visualisation systems. We have also expanded our department of science upon realising we could benefit from having an extra link between us and the medical professionals. Heliant now employs three doctors and two experts in biochemistry and pharmacy, and we regret not having hired them five years ago.

Two months ago, Heliant became a member of the National Alliance for Local Economic Development (NALED). Do you see this as another way to potentially contribute to the improvement of the Serbian healthcare system?

Data is a valuable resource, which further gains importance if we can share, exchange and cross-reference it

- When it comes to our NALED membership, we also regret not having joined in much sooner. Anyone dedicated to bypassing excessive paperwork and unnecessary administrative and bureaucratic procedures is our natural ally, and healthcare is the right place to focus on achieving this. Heliant supported the e-prescription project, thus helping to reduce the number of used paper copies by five million. Even though we should always strive to improve all kinds of citizens' rights, from passport issuance to obtaining construction permits, there is nothing more important than providing healthcare to the ones in need. If we manage to replace excessive administrative procedures in healthcare with technology and facilitate access to healthcare services for millions of people, in cooperation with NALED and any other interested party, we will have done a great thing.

How will medicine develop in the forthcoming period?



- We aim to further improve our department of science to make Heliant an asset for various experts and the entire scientific community. For this purpose, we are already working on creating specialised registries of medical conditions on the level of individual hospitals, as well as the entire country. Collecting raw information and data is not enough because they have to be well-structured, which means the information system is becoming the expert information system.

We are witnessing a great transformation in the area of medicine, which is switching from traditional clinical studies to the so-called data-driven medicine. The aim is to make relevant research data, previously available only to a limited audience, accessible worldwide so that different pieces of information could be cross-referenced, processed and compared. The time has come to acknowledge the fact that data is a valuable resource, which further gains importance if we can share, exchange and cross-reference it.

5G Will Change The World



Huawei is working together with operators and partners to expand 5G to various industries, achieving new business growth for all participating parties and building an open and diverse ecosystem that thrives on shared success

Is our market ready for all the benefits of digital transformation, among other things for the application of 5G? Is Serbia more or less ready for 5G?

I am positive that 5G will undoubtedly change the world we know and make it better. Huawei's 5G products are the world's best. We have the highest level of maturity in terms of commercialization and we are continuously and steadily developing our technology. We have invested over \$4 billion in the development of 5G technology over the past ten years. To build a positive business cycle, we must work on four elements: technology, the ecosystem, standards, and the business model. The Serbian market is not much different from the rest of the world and more than ready for new technology.

Are you satisfied with the speed with which the business environment

For the past year we have kept innovating to create value for our customers, to help fight the pandemic, and to support both economic recovery and social progress

in Serbia is improving? How could Huawei help further the digitalization of Serbia?

I believe that Serbia has recently been creating an open business environment for the development of ICT infrastructure, and that in this digital era we could together make this market the leader of eastern Europe.

We are also fully committed to CSR projects and providing social value in Serbia. We organize the Seeds for the Future project every year, where we choose the best IT students from Serbian universities. Traditionally, successful applicants fly to China for two weeks. They are first immersed in Chinese culture and after that they fly to Shenzhen, home to Huawei's headquarters, for hands-on practice including classes and experiments.

We also launched the Thousand Dreams project to help the youngest with our

Huawei has been operating in Serbia for 15 years, and we see a huge potential in the local market. Last year, we opened our Innovation Centre in Belgrade, with the goal of taking a key role in the digital transformation of the entire region.

consumer goods. This project has made it easier for kids to transfer to online education during the epidemic. Furthermore, we are opening ICT academies at the best local universities. This is a cooperative undertaking where we train people in areas like wireless networks and artificial intelligence.

How did Huawei cope with Covid19 over the last year? Did it affect your daily work with customers?

For the past year at Huawei, we've held strong in the face of adversity. We have kept innovating to create value for our customers, to help fight the pandemic, and to support both economic recovery and social progress. We also took this opportunity to further enhance our operations. As a result, our business performance was largely in line with our forecast.

As a member of the ICT community, we have been doing everything we can to support the ongoing fight against the pandemic. We are working closely with local governments, community organizations, international organizations and our customers and partners to protect the health and safety of the people we serve.

HUAWEI IdeaHub

New Style **Smart Office**

3-in-1 Whiteboard | Projector | Online Meeting



PREDRAG MIHAJLOVIĆ, PRESIDENT OF THE EXECUTIVE BOARD AT OTP BANKA SRBIJA AND EXECUTIVE SPONSOR OF THE INTEGRATION PROJECT OF VOJVODJANSKA BANKA AND OTP BANKA SRBIJA, AND PRESIDENT OF THE BOARD OF DIRECTORS OF THE ASSOCIATION OF SERBIAN BANKS

Leaders In Serbia And In The Region



As of May this year OTP banka and Vojvodjanska banka will continue operations as one large OTP banka, completing the most complex integration conducted in the domestic and regional financial market. This will confirm OTP Group's strategic move to form the leading banking institution in Serbia

Working on integration in the conditions of a global pandemic is a great challenge which we have taken up primarily thanks to teamwork, the commitment of all our colleagues and our continuous investment in digital transformation, Mr Mihajlović proudly points out

The OTP Group in Serbia is operating through OTP Banka and Vojvodjanska Banka, which are being integrated. How difficult is it to achieve such remarkable results in a pandemic?

We have increased our market share in all segments; at the end of 2020, total net loans of both banks stood at EUR 3.7 billion with an annual loan growth of around 15% which is a EUR 500 million increase over last year. We now have a market share exceeding 17%, and our new integrated bank will be the first in Serbia in corporate and retail lending. The retail operations segment realised an annual growth exceeding 17%, with a 40% growth in housing loans on an annual basis and a market share in housing loans over 21%, while the market share of cash loans is over 20%. Operations in the corporate segment also achieved an annual growth of 13%, while the market share in this segment is over 16%. What is important is that we listened to the needs and strove to provide all necessary support to our clients,

The 48-day state of emergency led to an 80% growth in the use of our digital services compared to the previous period

which is supported by the fact that we have approved more than EUR 259 million through the guarantee scheme to date.

OTP Group is recognized as a pioneer in innovation and digitalization, which is one of the priorities of the Serbian Government. To what extent did this facilitate operations during the pandemic and how much did this mean to your clients?

It has absolutely facilitated and confirmed as accurate our decisions to invest significant resources into digital transformation and encourage innovation. Within two weeks we managed to transfer more than 80% of our staff to work from home, without decreasing efficiency at any point. The 48-day state of emergency led to an 80% growth in the use of our digital services compared to the previous period. The number of our digital clients increased by over 60% and the growth of online credit sales by more than 40%. By using the m-bank and e-bank applications, our clients can do much more than transaction banking, have the opportunity to obtain cash loans,

overdrafts, mCard, insurance... We have also introduced an important novelty for our users of the IOS operating system in the form of payment via APPLE PAY.

Eliminating excessive red tape in foreign exchange operations is one of the ten priority recommendations of NALED's Grey Book. Why is it important that the National Bank of Serbia implements this recommendation as soon as possible?

NBS is in fact a generator of innovation in the banking sector, so without their important role no bank would be able to introduce instant payments or IPS code payments. So I think this recommendation, which is important for our sector, will also be implemented in the near future. And this is important because an additional reduction of red tape in executing orders would enable the automation and shortening of the process, and the application of modern channels for receiving and sending orders, i.e. digitalization in this domain of operations. The foreign exchange segment would thus be adjusted to bank clients with significantly greater opportunities to apply the latest trading methods and instruments, easier access to other countries' markets and faster collection, which is the essential goal of these recommendations.

We Know The Road To The Top Of The Doing Business List



Our Alliance is focused on solving property issues, such as conversion and legalisation, developing the eSpace platform and improving procedures that boost Serbia's rating on the World Bank's Doing Business index

Obtaining building permits and registering rights in the cadastre used to be the most complex administrative procedures in Serbia. They were expensive and time-consuming. Such obstacles to investment and legal security demanded a speedy and final solution. So on NALED's initiative, comprehensive reform began. Digitalising the required steps has revolutionised this area, so construction permits can nowadays be obtained 2.5 times as quickly as before, while the costs are 18 times lower. Registering rights in the cadastre is now three times faster. Everything can be finished in one place, and the cost is reduced by half.

More than 600,000 resolved construction permit requests since 2016 and almost 950,000 requests obtained for registration of rights in the cadastre since mid-2018 via the single-counter electronic system



(eCounter) are the best indicators that we should continue solving other problematic areas and legal property-related issues and obstacles.

The Property and Investment Alliance was formed to serve as an expert body that takes part in creating policies aimed at improving the business environment, solving problems of property relations and suggesting reforms to improve investment conditions for a better position on the World Bank's Doing Business index. The Alliance is rapidly expanding, it already has 50 members from business, local government, associations and academic institutions.

We have placed cancellation of the charge for the conversion of land use rights among the 10 priority recommendations of the new Grey Book. The existing regulations have mostly failed to fulfil their purpose, and have virtually 'locked' 5,000 hectares of construction land whose market value is reduced because it cannot be built on, so production capacities are not being developed and new jobs are not being created. Property rights conversion with the obligation to pay a charge that was already paid on purchase has proven to be an unsustainable practice.

The Alliance has launched an initiative to reach a reliable interpretation of Article 95 of the Law on Cooperatives to ensure equal and consistent solutions for all property-related legal disputes, which for decades have been preventing owners from enjoying their land. The cooperatives want legitimately obtained private property to be confiscated, which has a negative impact on local economic development in many municipalities in Serbia. As a rule, the requests are for the highest-quality agricultural land, whose market value lies between 5 and 15 thousand euros per hectare depending on the location, but the requests also encompass all other cooperative assets, such as business and

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agricultural buildings, which deters potential investors in agriculture.

The recommendation to speed up the legalisation of illegally-built buildings by extending the determined deadlines and simplifying procedures is equally important. Besides, we are working on further improvement of the registration of property in the cadastre and keeping the cadastre up-to-date. One of the useful measures in that area would be free registration. Finally, our Alliance also proposes a digital solution – the development of eSpace, a new system that would enable electronic development of urban and spatial plans, which would make the procedure simpler, faster and more transparent.

Among the Grey Book recommendations the Alliance will be working on are recommendations to improve the judicial system by automating the court administration, particularly by speeding up cases, decreasing the costs and facilitating communication between the court, case parties and lawyers. In this way, the parties will be able to access things like case law, decisions and model agreements.

For investment, we cannot skip the Grey Book recommendations for the Ministry of Economy. In this area we would like to further improve bankruptcy procedures and the process of establishing economic entities, including important administrative steps for founding a business, such as obtaining an electricity connection, obtaining a loan, registering a pledge, etc. These steps are tracked by the World Bank.

Economic Support, A State Partner



Further positioning of AIK Bank as a financially stable and credible bank group in this part of Europe is a strategic commitment. AIK Bank was the first Serbian bank to enter the EU market, and its presence there is proof of its stable foundation and sustainable development, which forms the basis of its business operations.

We have implemented numerous projects intending to further our digital transformation strategy, strengthen our digital brand and expand the base of satisfied clients - Ms Jelena Galić proudly stated for the Cord Magazine.

Banks were ready to face the crisis thanks to a high level of liquidity

and a low level of bad assets. What is the situation like nowadays?

- The challenges we all faced last year forced us to modify our everyday activities and lifestyle in general. It's important to point out that the pre-pandemic macroeconomic stability, as well as the measures the state introduced and continues to implement to this day, have contributed to reducing

the negative effects of the pandemic on the economy. The banks took part in all

For the third year in a row, domestic credit activity in Serbia has achieved two-figure growth, which places it among the highest in the region

the support programmes responsibly to help maintain the financial stability and mitigate the negative consequences.

Considering the strong capital and liquidity position of the entire banking sector, there is no doubt that banks will continue to be the mainstay of the economy and state partners in the task of maintaining the achieved stability and overcoming further challenges that may arise. In that regard, I can say that prudent actions of the banks are helping minimise future potential risks, and the achieved results in the area of microeconomic and financial stability represent a stable foundation upon which further growth and development can continue.

The global crisis caused by the pandemic has been going on for a year now. How is it reflecting on the banking sector and your bank specifically?

- Even before the pandemic broke out, banks had been working on developing mechanisms to tackle potential crises. Those mechanisms, which helped banks overcome challenges in this specific situation, include significant liquidity reserves, adequate risk management and responsible credit policies. In addition, banks were able to adapt to the specific characteristics of this particular crisis quickly by encouraging clients to rely on online and digital services. Since the state introduced adequate support measures, including the provision of direct aid to businesses and incentives of the National Bank of Serbia, the banks were able to respond to all the business challenges brought about by the pandemic very well. According to the data of the National Bank of Serbia, in the previous year, the total placement of the available bank deposit potential increased by 10.7% thanks to the investment of banks into RSD corporate bonds, in addition to a growth in credit activity. It should also be pointed out that the share of non-performing loans in the last (pandemic) year was 0.4 per cent lower compared to 2019. All of this speaks in favour of the stability and strength of

the banking sector in Serbia.

Our banking group, with AIK Bank as the lead member, is stable, with total assets exceeding 4 billion euros. The stability of our bank has been further proven by the activities carried out successfully in the specific circumstances we were faced with in 2020 – the year which has strengthened our teamwork and business operations in general, as

Our products and processes are fully end-to-end automated, which means that requests can be approved very quickly

we have managed to ensure trouble-free implementation of all the activities and services offered to the clients. The achieved business indicators, i.e. a high level of the balance sheet total, strengthening of the deposit base and maintaining high profitability, testify to this.

When the three-month moratorium on all types of loans was introduced, you welcomed it as a good move. Do you still think so a year later?

- Having in mind the complexity of the circumstances arising from the COVID-19 pandemic, the undertaken set of measures to facilitate the settlement of obligations of the economy, as well as the citizens, and responsible credit risk management by financial institutions have directly contributed to mitigating the negative consequences of the pandemic to the economy.

In that regard, the announced new set of measures taken by the Government of the Republic of Serbia, the total value of which is RSD 249.4 billion, entailing the provision of direct support to sensitive and vulnerable sectors and citizens and the extension of the Guarantee Scheme for the purpose of maintaining the liquidity of the economy, will undoubtedly not only enable us to further mitigate the negative consequences but also to continue providing support to the entire economy and the citizens' regular activities.



How would you rate the economic measures the state has introduced and continues to enforce to aid the economy?

- Mitigation of the monetary policy, approval of loans from the Guarantee Scheme on favourable terms, primarily RSD loans due to the preferential policy of the National Bank of Serbia reserve obligation, along with good cooperation with the banking sector, have ensured good financing conditions on the domestic credit market. For the third year in a row, the domestic credit activity in Serbia has achieved a two-



figure growth, which places it among the highest in the region.

Since the sector of small and medium enterprises was hit the hardest by the pandemic crisis, I believe that focusing on direct measures to this area of the economy was crucial for overcoming the difficulties caused by the pandemic and maintaining the business operations of this sector. As one of the banks who took part in all the measures, we have remained a strong supporter of small and medium enterprises in Serbia by offering a complete set of products necessary for such businesses, including online services for all kinds of financial transactions and all kinds of loans for current assets, investments, agriculture, as well as loans within government programs to support the economy and agriculture.

AIK Bank is the first domestic bank to enter the EU market. What are the benefits of the expanded cooperation through the regional approach?

Our clients can also sign digital documents electronically via a smartphone, tablet or computer with a two-stage authentication, which is a step toward quicker and paperless business operations

- The acquisition of Gorenjska Bank in Slovenia, completed in 2019, made AIK Bank the first domestic bank to expand its business operations to the EU market. By strengthening our regional position along with the Gorenjska Bank, we have ensured quality services for our clients within the EU. The expansion to the EU market is a confirmation of the bank's stable foundation and sustainable development, which is the basis of its business operations. Our strategy entails further positioning as a financially strong and credible banking group in this part of Europe, and the previ-

ous experience is another confirmation of the said strategy. In that regard, we are following the market trends related to potential further acquisitions, and we have a clear vision of our banking group and the direction of its further expansion in Serbia and the region.

You frequently introduce innovative services and offers to meet the increasing expectations of the clients. Do you intend to keep the focus on creating new products and services in the forthcoming period?

- This year, we are continuing with our projects as per the adopted digital transformation strategy. This includes a high range of products available to the clients 24/7 through our network of branch offices as well as online – at digital communication channels. We are dedicated to creating new and improving existing products and services to boost the client experience.

Our clients who use the mobile app can use QR codes and digital Mastercard payment cards available on their smartphones for payments at sales points that enable this option. Also, the clients can access their accounts instantaneously via the web or mobile app, where they can transfer their funds, make fixed-term deposits or apply for a loan, overdraft or credit card. These products and processes are fully end-to-end automatized, which means that the requests are approved very quickly. For instance, approved cash loans are available within 10 minutes upon request.

The mobile banking app enables the users to access mobile banking using biometric authentication. Besides, they can also sign digital documents electronically via a smartphone, tablet or computer with a two-stage authentication, which is a step toward quicker and paperless business operations.

Those are only some examples of the projects implemented so far, and we will continue working hard on further implementation of our digital transformation strategy, digital brand empowerment and expansion of our base of satisfied clients.



Time Is Our Most Valuable Resource

Steel Impex is a regional leader in the waste management sector and a member of the NALED Fair Competition Alliance, which is composed of some of the largest domestic employers and taxpayers

Our suppliers know we can offer a complete solution for their waste, whether it is steel scrap, non-ferrous, plastic, paper, tires, etc. When you have the capacity to handle 100,000 tonnes per year and no steady local buyer, there is no other option but to export, says Maja Živković.

Steel Impex is a regional leader in the waste management sector, despite unfair competition and the informal economy. How do you handle all the frustrating circumstances and are they the reason you're orientated towards export?

We always strive to operate under the rules of fair competition. It pushes us towards innovation, creativity and new ideas. Even though it's hard in our line of business we are able to accomplish it by digitalisation of our daily operations, increasing awareness through our social media and always new and better conditions for our suppliers. By expanding the range of waste we handle we are increasing our presence on the market, but also decreasing our fixed costs. Our suppliers know that we can offer them a complete solution for their waste, whether steel scrap, non-ferrous, plastic, paper, tyres, etc. When you have the capacity to handle 100,000 tonnes per year and no steady local buyer, there is no other option but to export. Unfortunately there are limited users of recyclables in our country, while for some there are none at all. Those

there are either have small capacities or purchase through their suppliers. As a free market, there should be more operators and transparency that will bring improvement and quality on all services, but when it gets hard to

By expanding the range of waste we handle we are increasing our presence on the market, but also decreasing our fixed costs

export and payments are not secured with guarantees we are not developing as a market.

Steel Impex is a member of the NALED Fair Competition Alliance, which is composed of some of the largest domestic employers and taxpayers. Are you satisfied with the progress that has been achieved by your work and engagement? Could even better progress be achieved?

As a member of NALED we are actively involved on the subject of Fair Competition, sharing our experience, the problems we face in our sector and the misinterpretation of rules. This cooperation is very important, where straight from the field we are able to address the pros and cons of the recycling industry. NALED's efforts and their dedication to fair competition is helping improve the situation, to establish a fair and equal approach for all, with no grey zone.



You are a strong advocate of reducing the administrative burden on companies that operate legally. How and how much does bureaucracy hamper your company's operations and slow your growth and expansion?

The world has changed, especially after the Covid-19 pandemic. We need to be able to take decisions and execute them immediately. To do this, we need a digital infrastructure that we can apply to everything in our offices, to make our meetings or attend our inspections. This will also bring a certain transparency. Time is now our most valuable resource and we cannot afford to lose months obtaining a license, approval or any kind of report from state institutions. At the same time our laws and regulations must follow the times we live in, changes are necessary. Our inspectors from any institution still require documentation on paper and not in digital form.

Digitalization Of Agriculture Begins With eAgriculture



The introduction of an online platform to register agricultural holdings (e-Agrar) would be the cornerstone of a digitalisation process in agriculture, and we would like to work with the relevant ministry

In Serbia, there are over 400,000 active agricultural holdings. To register them, change data or exercise their right to incentives, their managers have to go through four counters and submit 90 different pieces of information contained in over 10 documents. To obtain the required paperwork, they waste time and money. Furthermore, up to 60% of the paperwork is unnecessary or repetitive because the state already has the required data. At the same time, staff of the public administration waste a lot of time processing requests, checking



the submitted data one document at a time and typing the information in their databases, which can sometimes lead to untimely payment of incentives. The impact of these procedures on the development of agriculture is the key reason why eAgriculture should be established among the 10 priority recommendations in edition 13 of the Grey Book. The eAgriculture system would be a central online platform for registering agricultural holdings and distributing incentives. In addition to reducing farmers' expenses by 85%, it would also connect more than 20 public registers and facilitate planning and oversight of agricultural policy carried out by the Ministry of Agriculture.

The Ministry of Agriculture is responsible for implementing the 10 recommendations of the new Grey Book, and we would particularly like to emphasise the importance of better legal regulation of food donations. A rulebook for safe food donations after the 'best before' period has expired and fiscal relief for food donations would reduce food waste at a time when vulnerable groups are in dire need of food. Food donations are regular practice in the EU.

The Grey Book contains two recommendations for improving conditions for developing organic production. Initiatives launched by NALED through the Public-Private Development Dialogue project supported by USAID contain recommendations to introduce incentives for small organic producers and livestock breeding, including simplifying procedures to ob-

tain them. Leasing state land to organic producers must also be assisted. Although considerable progress has recently been achieved, we must ensure faster updating of domestic regulations to keep up with rapid changes in EU food regulations

On the subject of food safety, there is for the first time in the Grey Book a recommendation to simplify the import of animals, and products and food of animal origin. Import permits issued by our country are unnecessary because such food already possesses an international veterinary certificate. This is a superfluous administrative practice, which only Bosnia and Herzegovina and Montenegro still have in our surroundings.

The Food and Agriculture Alliance, which currently has 47 members including companies, local governments and associations, has defined several priorities in establishing modern agriculture, with other initiatives in addition to improving administrative procedures. We believe we must systematize the process of continuous harmonization of Serbian regulations with EU law to facilitate trade with the EU, provide legal protection in the food and agriculture sector and create the necessary conditions for joining the European single market. At the same time, EU laboratory results should be recognised to facilitate the trade in food and agricultural products. Although considerable progress has recently been achieved, food import procedures are still too time-consuming.

Proven Trust Is A Solid Basis For A Long Lasting Partnership

When we joined the market half a century ago, our aim was to bring the best taste to Serbia and provide supreme refreshment. All these years later, we have become an integral part of the local community and a generator of positive change in the local economy.

This is also confirmed by the results of our study 'The Socio-Economic Impact of the Coca-Cola system in Serbia'.

Our company has an enormous impact on the local economy, which has been increasing continuously over the years. The business operations of the Coca-Cola system, including Bambi, create 291 million euros of added value, while direct and indirect taxes paid by the system along its value chains stands at 159 million euros. The system also employs 1,700 people in Serbia and supports an additional 14,400 jobs in related businesses and sectors, as shown in the study that analyses 2019 business data.

"Coca-Cola is a valuable contributor to the local economy in the countries where it operates because it employs local people, generates income, supports market development and revenues for the tax system", says Svetoslav Atanasov, General Manager of Coca-Cola HBC Serbia, adding: "The entire value chain we create in Serbia is the result of exceptional cooperation with the state administration and institutions, cooperation with customers, suppliers and partners, but also our commitment to invest in the development of the community."

Predictable business conditions and government responsiveness are conditions for our company's growth and development and for attracting foreign investors in general.

The predictability of the regulatory and business environment, for all areas of business from tax policy and legislation on environmental protection to fair

market conditions, the fight against the grey economy and streamlining of cross-border trade exchange are crucial for the business operations and sustainable growth of any system, be it large or small. In this context, NALED's efforts focused on improving business conditions are essential, and the Grey

responsible waste management and investing heavily in the latest technology in wastewater treatment facilities. We are the leader in the FMCG industry and a responsible company that plans to stay in Serbia and record even higher growth. This is confirmed by the title of the most successful beverage producer in Europe in 2020, according to the Dow Jones Sustainability Indices.

The ambitious objectives set at the corporate level for 2025-2030 will be attained in Serbia if there is continued cooperation on implementing reforms between public and private sectors, the expert public and the entire community. While creating future plans and incentives, 2020 should therefore not be forgotten.

The year behind us has demonstrated the state's willingness to help businesses and people, and the agility of the private sector in supporting the local community where it operates. In partnership with the Red Cross, the Coca-Cola Foundation provided aid for a total of 200,000 dollars for the most vulnerable and donated our products to healthcare workers across Serbia. During the crisis, we have focused on supporting small-scale entrepreneurship, especially in underdeveloped areas of Serbia, as well as in the HoReCa sector, which suffered serious consequences.

The global pandemic and the new reality demonstrated the incredible strength of the mutual partnership of the state and the private sector, showing that PROVEN TRUST IS A SOLID BASIS FOR A LONG LASTING PARTNERSHIP and joint growth in years to come.



Book is an excellent example of a constructive approach: presenting not only issues and challenges, but also offering proposals and sustainable solutions that work for the benefit of all.

As the company has been present in Serbia for more than half a century, the Coca-Cola system actively contributes to environmental protection, lowering our carbon footprint by using energy from sustainable sources, implementing

Simplifying Administrative Procedures Is The Least Expensive Task



NALED's youngest alliance is ambitiously dedicated to creating better conditions for collecting and recycling different types of waste, improving wastewater management and reforming the tax and fee system in the area of environmental protection

Formed towards the end of 2019, the Environmental Protection Alliance already has 46 members, including companies, local governments and associations interested in systematic solutions in a very complex area – ecology. Reform of the tax and fee system for environmental protection, waste management, wastewater management, food waste and special waste and promotion of the circular economy are among its priority aims. Almost all of these aims are listed in Grey Book recommendations, proving their importance, with wastewater management among the 10 priority aims.



Our partner in these activities is the German Development Cooperation (GIZ), which supports us on three projects. The most recent is the project Increasing the Recycling Rate of Batteries and Bulbs in the Republic of Serbia. In this project we are encouraging institutions to introduce incentives for recycling batteries, and establishing a more efficient system for collecting such waste and increasing recycling by 20%.

In the project to improve food waste management, we are developing a food waste collection system. In the Grey Book, we have suggested changing the regulatory framework to make it obligatory for anyone preparing more than 50 meals a day to hand food waste to a food waste collector for safe disposal.

In the project Glass Packaging Management in the Western Balkans, we are aiming to increase the glass recycling rate in Serbia, Bosnia and Herzegovina and North Macedonia by 20%. In Serbia, the project is implemented in Sombor, Niš, Kragujevac and Varvarin, where we have set up a total of 600 skips (bell-shaped recycling bins).

We have provided guidelines for improving electric and electronic waste management in the Grey Book, by advocating for a system of extended economic responsibility.

Finally, our Alliance is actively engaged in defining the best model for packaging waste management, and we are currently working on a study for which we hired a well-known consultancy from Great Britain. The study should come up with the best combination for Serbia of a smart deposit return system and the existing extended

Almost all NALED activities in environmental protection are listed in the Grey Book recommendations, which proves their importance, and wastewater management is among the 10 priority aims

producer responsibility system, considering economic, social and environmental protection factors.

In the accession negotiations with the EU, environmental protection stands out as the area requiring the greatest investment. One of the long-standing recommendations of the Grey Book is to establish a functional Green Fund that would help projects at both state and local level.

The wastewater management system will undoubtedly be the most expensive. Through the Public-Private Development Dialogue project supported by USAID, we have pointed to great investment needs for the sewerage network and wastewater treatment plants, for which we shall have to reach out to international funds and work on cleaning up our own back yard by boosting the inspection of wastewater management and preparing companies and local governments for their future obligations.

Those who pollute most will face the greatest financial burden. Current tax and compensation policies do not stimulate any efforts to reduce pollution. For this reason, we have prepared a strategy to stimulate polluters to make great efforts to reduce harmful emissions, particularly for vehicles and poisonous gas emissions from industrial facilities.

No Paper Copies For Doctor's Appointments



The pandemic has emphasised the importance of electronic access to all health services. The condition to achieve this is the establishment of an eHealthRecord

Although at first glance you may not connect the healthcare sector with improving the business environment, the Grey Book has included more than a dozen recommendations related to healthcare in previous years. Since the breakout of the Covid-19 pandemic, the importance of improving healthcare procedures is no longer a mystery to anyone.

Now, three years after paper prescriptions have become a thing of the past thanks to ePrescriptions, there is no reason not to replace paper health records with electronic ones, so every doctor we visit, either in the state healthcare system or in private practice, will be a click away from all the data on your previous examinations, results and



therapies. From there, we will be only a step away from further development of electronic healthcare in Serbia, which would ensure cheaper and more efficient solutions to the challenges people and companies face both in regular and crisis conditions.

Establishing electronic health records has rightfully been placed among the 10 priority NALED recommendations in the 13th edition of the Grey Book. It is one of many elements required for the strategic approach to the development of eHealthcare currently being prepared, since an initiative of the Healthcare Alliance prompted the government to form the Coordination Body for Healthcare Digitalisation, in which we will be working together on developing new electronic services.

It goes without saying that neither the eHealthRecord nor related services will be complete without integrating public and private healthcare sectors. Connecting the two systems is a longstanding Grey Book recommendation that now seems inevitable. Among other things it would enable more efficient use of taxpayers' money. Private healthcare capacities available during the pandemic could have significantly reduced the strain on public hospitals and improved service quality.

To compete with the private sector, the public healthcare system must

Serbians spend 40% of their money in healthcare directly from their own pockets, among the highest percentages in Western Balkans, but that does not guarantee them the best service

be optimised through improving the network plan and using available resources better. To this end the Grey Book also contains a recommendation for more efficient use of available funds by improving the centralised public procurement system.

At the start of the pandemic, the Healthcare Alliance gave a great contribution and support to the government. At the very beginning of the state of emergency in March, we suggested 15 urgent measures for healthcare, and in June we defined 10 additional measures to mitigate the negative effects of the pandemic.

We may have been somewhat prophetic, since having identified the need to modernise healthcare and prepare it for future challenges, we published the first special edition of the Grey Book of Healthcare in February last year. It contains 50 recommendations to reduce administrative obstacles faced by people and companies in the field of healthcare. The pandemic that broke out a month later forced institutions to place this publication high on their agenda.



No Shortcuts

Pfizer combined its state-of-the-art vaccine development, manufacturing might and distribution networks with BioNTech's expertise in innovative mRNA technology to develop, manufacture and distribute large quantities of high-quality Covid-19 vaccine in record time

Given the urgency of the pandemic, Pfizer risked more than 2 billion dollars to run clinical development and manufacturing in parallel and at scale. "I am happy to say our collaboration between private and public sectors has been largely successful", says Rocha

Serbia was among the world's first five countries to sign a contract and receive Pfizer vaccines, and was one of the first to begin immunisation. Does this mean that the Serbian Government found a way to accelerate everything on the administrative side?

We knew early on that a safe and effective vaccine would be essential to ending the pandemic. Collaborating closely with regulatory and health authorities around the world, including the EMA in Europe and the government in Serbia, we compressed timelines that typically take years into months, and those that take months into weeks. Conversations between Pfizer and the Serbian government had started by mid-year 2020 and we're glad to say that since the first interaction, the Serbian government showed full understanding of the gravity of the situation and the need for quick and straight decisions.

Most of industry has spent an entire year struggling with challenges, limita-

tions and tribulations, while pharmaceutical companies including Pfizer have been in a somewhat better position, right?

Given the urgency of the pandemic, Pfizer risked more than 2 billion dollars to run clinical development and manufacturing in parallel and at scale.

Patients and science were at the forefront of our efforts, and we took no shortcuts but worked innovatively to conduct key steps of the process in parallel rather than the usual sequential approach. As a result, we were able to move at the speed of science and make the seemingly impossible happen: delivering in less than a year a breakthrough Covid-19 vaccine that was authorized and recommended in Europe and with authorities globally.

Making sure this breakthrough reached patients around the world demanded unprecedented collaboration between the private and public sectors – and I am happy to say this collaboration has been largely successful.

Pfizer is a member of the NALED Healthcare Alliance, which brings together stakeholders from industry and local government. What is the goal of this alliance?

With its engagement in NALED, Pfizer wants to offer its knowledge and expertise in the healthcare environment. We

believe that our staff's broad overview of Serbian healthcare and the pharmaceutical system can make a very efficient and detailed contribution to the Grey book for healthcare.

Can the NALED Grey Book's recommendations for healthcare support the Serbian government in developing an online system of e-healthcare and optimise the network of healthcare

In less than a year we delivered a Covid-19 vaccine that was authorized and recommended in Europe and around the world

facilities? Is the importance of such reforms best demonstrated under extraordinary circumstances like those of a pandemic?

NALED's Grey Book holds several recommendations for optimizing healthcare and its administration in Serbia. So-called e-health with more intense digitalization will for sure create future healthcare systems. In Pfizer we are glad to be part of this innovation and to contribute our knowledge, skills and experience for better health outcomes for patients.

Posvećeni životu

U kompaniji Pfizer već **171 godinu** doprinosemo poboljšanju zdravlja i blagostanja u svim fazama života stručnošću i stalnim napretkom u nauci. Suočavamo se sa novim bolestima i zdravstvenim izazovima i tražimo rešenja za zdravu budućnost novih generacija. Kad obnovimo ili poboljšamo zdravlje pojedinca, dobro smo obavili svoj posao.^{1,2}



U potpunosti posvećeni brizi o životu.

Pfizer SRB d.o.o., Trešnjinog cveta 1/VI, 11070 Novi Beograd
tel. 011 363 0000, email: office_serbia@pfizer.com

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GODINA
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Behind Every Success Of Our System Stands A Dedicated Team



From the acquisition of the most reputable and the oldest private healthcare institutions in the country to the gradual expansion of its service range, in just eight years, MediGroup has earned the title of the single largest private healthcare system in the country. Today, it is an example of good medical practice, but it is also recognised as a system that has recently achieved significant growth and development

For more about how it was formed, the challenges of corporate business, and its future goals, *CORD Magazine* talks to **Dejan Pešić, CEO of MediGroup and Vice-President of NALED's Healthcare Alliance.**

Did you model MediGroup on an existing healthcare system? What was the original idea in 2013 when you began acquiring the oldest and most reputed private healthcare institutions in the country?

In the first decade of the 21st century, the countries of Central and Eastern Europe gradually started consolidating widely scattered privately owned healthcare institutions. The markets were extremely fragmented and the only road to efficiency led through consolidation. We

noticed these trends and came up with the idea of making MediGroup not just what it is today, but also what it will be in the coming years - at that time our goal was to become the largest private healthcare system and we have succeeded. The integration of institutions with the longest tradition in private healthcare in Serbia with numerous new ones proved to be a success. This strategic goal enabled us to fuse into a highly functional and efficient system comprising hospitals, healthcare centres, laboratories and pharmacies, all under a single brand - MediGroup.

MediGroup is the single largest healthcare system in Serbia and the region. What makes it so big? The fact that it has more than 1,150 permanent staff, over 1,000 consultants, 16 medical centres

and state-of-the-art equipment? In your opinion, what sets it apart from others?

All of these figures make us who we are. What sets us apart are the expert medical teams and the most modern equipment, thanks to which we will perform more than 1,000,000 procedures this year.

You recently doubled the number of healthcare institutions and the number of users, compromising neither the quality of services nor the satisfaction of both patients and staff. You have succeeded where many others failed. What is the secret of your success?

Our team consists of carefully selected and highly professional medical and technical staff, with our professional management focused on achieving the strategic goals of MediGroup, which follow the principles

and high standards of best international practice. When you have such a team behind you - you can expect even greater success in the future. Our system has a structure composed of extremely high quality professionals. There is a shortage of staff in health management in Serbia, because our country in practice does not have a faculty that deals with this profession and that creates people who are professional enough to do that job. For that reason, it is important to choose the highest quality individuals who are polyvalent in terms of personal education, full of enthusiasm and as such ready to “jump in” to different contexts. Our team is made up of just such people - those who have the ability to quickly master a new context, to go deep into it and eventually pass it on to new people who also think in that way. All this allows us to develop a far-reaching view and strategy for our system where it is clear what our goals are and what exactly we need to do to achieve them.

As the vice-president of NALED's Healthcare Alliance, what are its reform priorities?

First of all, it is my great honour and pleasure to have the opportunity to contribute to reforms by investing my knowledge and experience. In the coming period, the reform priorities of NALED's Healthcare Alliance are the development of e-Healthcare and the establishment of a permanent dialogue mechanism between the public and the private sector in this area and finally, the integration of the public and private healthcare sectors. These priorities have been set to make healthcare services more readily available, but also to improve the quality of healthcare services through technology and the unification of the systems.

What is the current status of the planned digitalisation of healthcare services through improved electronic scheduling of appointments, introduction of electronic health records and electronic sick leave notices?

There is a great determination and readiness on the part of the Government of the Republic of Serbia, which has allocated resources for the digitalization of health services to really happen. We are actively



MediGroup continuously invests in system development, modern spaces and equipment, staff education, creating the highest level of patient service. Our team consists of carefully selected and highly professional medical and technical staff, as well as professional management focused on achieving the MG strategic goals that follow the principles and high standards of best international practice.

working on developing the action plan for digitalization in health care and establishing a single electronic health card.

In your opinion, is full integration of the private sector into the healthcare system possible in the next five or six years? What do you think, could it be the solution to many problems?

Gradual, planned, strategic integration is something that can certainly be the solution. Private healthcare capacities are underused, and putting them to use would ensure more patients receive the

medical treatments they need without having to wait. For example: MR, CT, implantation of knee and hip endoprosthesis, coronary angiography, are just some of the procedures in which the private health sector has the capacity to engage without delay.

MediGroup is one of only eight companies over the last 25 years to win the title Champion of Excellence in as much as five categories. What is your perspective on the accolades and prizes won for business excellence and quality services - have they become a norm for you?

The prizes are always a kind of a challenge - besides being a pleasure, they carry a certain responsibility, which is precisely how I see all the recognitions won so far. Naturally, Champion of Excellence is special and very valuable to us because of the fact that it is awarded by a respectable institution - the Serbian Chamber of Commerce. Preparation for participation in the prize competition demanded full commitment of the entire team in the MediGroup system - all departments took part and with joint forces we succeeded in meeting all the requirements to be short-listed. Though I cherish and value every award, this one is special as we believe it to be a reward for each and every one of us.

We Are Creating A Modern Healthcare System



For Sopharma Trading, a member of the Sopharma AD Group, entering the Serbian market is the first phase of expansion in the Balkans and part of a strategy to expand international business. Serbia is a country with great potential and a deep long-term potential for company expansion

According to director Miloš Ristić, the strength and distinction of Sopharma Trading lies in its culture of company values and people who are dedicated to building a strong and recognizable regional group

Was the arrival of Sopharma Trading in Serbia a good business move? Has the investment paid off?

Our results so far are excellent compared to plans. In 2020, we achieved record business growth as a result of investment and setting up the organizational structure of the company, and we are ready to multiply our revenue many times in the next few years. Besides our shareholders and staff, our business partners and clients are also satisfied with a reliable and stable long-term partner.

As an innovator and pioneer in doing business in Bulgaria, has Sopharma introduced new technologies and practices to the Serbian market?

After we acquired the Serbian company Lekovit, we introduced a successful business practice that we had been developing for years on the Bulgarian market. We set up an organizational company design and structure that has great potential for busi-

Our task is to ensure everyday availability of all products on the market, and in times of crisis, preserving the health of the population is the dominant interest

ness and revenue growth, we implemented a new ERP system and selected SAP, with all the modules and adaptation tailored to a pharmaceutical company. As the first in Serbia, we installed the Hybris business platform, part of SAP's B2B communication software; we expanded the capacity

of the Šabac distribution centre; built a completely new distribution centre in Pukovac to provide maximum coverage of southern Serbia; increased the speed of deliveries and almost doubled their number compared to three years ago.

You once announced that your goal is to become market leader in Serbia and then use that development model as the basis for regional expansion. How is that going?

We're doing really well. By the end of this year, we will almost have tripled our operating revenue, compared to the time before the acquisition of Lekovit. Besides revenue growth and overall business, we have also worked on the development of our entire organization and distribution capacity. We regularly supply almost all pharmacies and hospitals in Serbia and we are improving cooperation and increasing business volume by the day.

You acquired Lekovit, you opened a distribution centre in the village of Pukovac near Doljevac, you became the first healthcare company in Serbia to invest heavily in digital services. What are your further plans?

Our further plans are connected to developing a new, fully automated distribution centre in Stara Pazova, developing marketing support to manufacturers to promote their products, registering new drugs and modern therapies that will be the future in the modern healthcare system, cooperating vertically in marketing, distribution, regulatory activities and product development with our production company in the Sopharma AD group and with our partner manufacturers. The technology we are using and will install at our new distribution centre is the last word in technology globally.

Accumulated debts in health institutions and pharmacies, bureaucracy, lack of medicines and health services are some of the biggest problems in Serbian healthcare. You are a member of NALED's Healthcare Alliance, what solutions does it propose?

The Healthcare Alliance has achieved a lot and we are proud of our membership of NALED. The results achieved in debt collection, regulation of the economic framework, regulatory solutions in the healthcare system, constant efforts to improve services in the overall healthcare system and product availability have been key goals of the Alliance. Business transparency, a sustainable healthcare system, support and partnership between private and public sectors are key conditions for the functioning of a country's healthcare system. Together we are building a modern healthcare system that will respond to all challenges. During the pandemic, members of the Healthcare Alliance showed unity and responsibility and assured the functioning and supply of the entire healthcare system in difficult conditions.



How can we make healthcare more competitive, effective and attractive? How to improve the availability and efficiency of healthcare?

The crucial conditions for competitiveness and effectiveness are free trade, transparency, openness of the healthcare system, modern therapies in accordance with global trends and respect for the laws of free competition on the market. Liberalization of business and greater competition, especially from foreign companies, removes some of the existing barriers to fair and free market supply, as opposed to exclusive agreements between suppliers and one or a small number of distributors. That process is still slow in Serbia, but it's changing every day. We are continuing to invest in the Serbian market because we see the perspective of European business standards, with great future potential for the growth of the entire healthcare sector.

It seems that despite daunting administrative obstacles, we have coped well during the pandemic. How do you explain that?

The healthcare system in Serbia is quite well set up and the protection of people's health during the pandemic was undoubtedly a high priority for the Government. The degree of adaptability and flexibility of the entire healthcare sector was confirmed

The Healthcare Association has achieved considerable results, so we are proud of our membership of NALED

by the quick reaction of all participants. Our task is to take care of the everyday availability of all products on the market. In times of crisis, preserving the health of the population is the dominant interest, so it is our social obligation to place all our resources at the disposal of the healthcare system. In difficult conditions of limited movement, limited working hours of pharmacies, special work regimes for Covid dispensaries and hospitals, we have found ways to deliver all the necessary drugs, medical devices and other products in line with the needs of pharmacies and hospitals, and for the benefit of end users. Night work, overtime work, daily disinfection of all warehouses and transport vehicles, protective equipment for all staff, prevention and full compliance with government measures to combat the spread of the pandemic have been the axioms of our company's sustainability, and at the same time a contribution to maintaining and preserving the smooth functioning of the healthcare system.



BUSINESS FRIENDLY CITIES AND MUNICIPALITIES

The Business Friendly Certification of municipalities and cities in South-East Europe (BFC SEE) gives local governments a plan for reform and clear guidelines on how to create a good business climate and introduce internationally recognized standards of efficient and transparent administration. For businesses and investors, BFC SEE provides a stable and predictable business environment and helps identify places that offer the best conditions for investment and development.



Our Priority Is Developing Business Infrastructure



ALEKSANDAR PAJIĆ,
MAYOR OF ŠABAC

ENVIRONMENTAL PROTECTION, HEALTH AND EDUCATION

Environmental protection in Šabac is also a priority of the municipal administration and we have already taken the first steps by setting up a mobile automatic air quality control station on the main square, and sizeable funds are being allocated so that the Public Health Institute can measure pollution at several points. We are also looking at the possibility of using cleaner energy sources. As only 30% of possible users are connected to the gas network, we see a solution in reducing the connection fee.

An important part of improving local life is investing in health care, which is especially prominent in these difficult times, and we do this from day to day, both at the general hospital and the health centre. Furthermore, constant investment must be made in education to provide children with all the conditions for acquiring knowledge. We want an educated and professional workforce that will enable us to make Šabac a city of the future, in which young people want to live and work, and high-tech companies to invest.

Metaloplastika, Šabac Fair, Tekeriški Towel, National Museum, the largest industrial zone in Serbia, the most modern wastewater treatment plant. The list of unique features of Šabac is becoming ever longer, and the comprehensive development plans of the new management guarantee our city recognition as the most desirable business location in Serbia.

NEW MOTORWAY, BRIDGE AND PIER

We want to secure the position of economic development leader by completing the most important infrastructure projects. First and foremost are capital investments, construction of the motorway Ruma–Šabac, a new bridge over the Sava and a fast road to Loznica to connect us with our most important motorways – Miloš the Great and Corridor 10. The drive to Belgrade will be shortened to 40 minutes. Besides this, the construction of a port is planned, which will make Šabac the second town on the Sava with international river passenger traffic.

Thanks to the vision of President Aleksandar Vučić and the willingness to make huge investments in road infrastructure, Šabac will open its doors to new investors in October 2023, when the works are expected to be completed, providing new jobs and a better standard of living through faster development.

CHINESE BUILDING NEW FACTORY

That foreigners want to invest in Šabac is also shown by the announced opening of a new plant of the Chinese company Mint Automotive in the Northwest Industrial Zone, which will be the biggest investment for the city after the arrival of the Japanese Jazaki. Much attention is paid to shortening the time for obtaining permits and removing barriers to investment. The unique administrative position of the public administration enables efficient provision of services, as well as fast and simple communication between business and municipality.

Thanks to the support of the Republic, funds have been provided to expand the water and sewerage networks, for the construction of wastewater treatment plants in the town, suburbs and villages of Šabac.



Welcome To The City Of Entrepreneurs And A Great Industrial Tradition

ČAČAK

The city of Čačak is the administrative, business, medical, educational and cultural centre of Moravica district and an excellent place for investment because it is surrounded by a growing market of 16 million consumers. We have a rich cultural and historical heritage, exceptional tourist potential and two faculties educating highly qualified experts.

TRAFFIC AND BUSINESS CENTRE OF SERBIA

The main characteristic of industry in Čačak is well-developed private entrepreneurship, with the support of four business associations, the Science and Technology Park and the City Economic Council. The crucial advantages of this city with its century-old industrial tradition are its geographical position, good traffic connections, and the proximity of the Morava airport.

A crucially important investment for the development of the city was the recent construction of Corridor 11 (E-763) connecting Čačak and Belgrade. Due to the imminent completion of works on the Preljina-Požega section, the beginning of construction works on the Preljina-Pojate motorway and the construction of the rapid Mrčajevci-Kragujevac road, the position and importance of Čačak as a traffic and business centre of Serbia is undeniable. In this context, the business zones of Preljina, Konjevici and Cer will be increasingly important for attracting both foreign investment and domestic business.

Beside business development, the city is actively investing in projects for water supply, sewerage, wastewater treatment, healthcare, education, youth activities, culture, tourism and sport.

OVČAR BANJA AND NADEŽDA PETROVIĆ GALLERY

Cultural heritage and natural beauty around the city make Čačak an exceptional tourist destination. Our most prominent landmark is close by - the famous Ovčar spa, Ovčarsko-Kablarska gorge, the lakes and meanders of the West Morava. The thermo-mineral springs of the spa and its healing effect in the treatment of rheumatic diseases, 10 medieval monasteries that brought this area the flattering name of the Serbian Holy Mountain, are a must-see for all tourists. The Tourism Development Programme of the City of Čačak for the period 2019-2024 pointed to our great opportunities in this sector, and it is important that the Interdepartmental Working Group of the Government of Serbia consider the development of the tourist potential of the Ovčarsko-Kablarska Gorge. Another of our recognizable landmarks is the gallery of our famous painter Nadežda Petrović, whose work will be included on the UNESCO list.



MILUN TODOROVIĆ,
MAYOR OF ČAČAK

WINNERS OF BFC SEE CERTIFICATION

In April 2021, the City of Čačak met the criteria for the Certification Program for Cities and Municipalities with a Favourable Business Environment in Southeast Europe (BFC SEE) and proved that it provides services of the highest international standards to existing industry and potential investors. Also, the Local Economic Development Program and the Employment Action Plan adopted by Čačak will contribute to economic development, opening new companies and jobs. Our goal is to position Čačak as a strong business centre in Southeast Europe, to encourage the introduction of new technologies and innovation in production processes and to increase exports. When we achieve all that – and we will – our city will be an even better investment for business and life - announces Mayor Todorović.



Come To The Largest Centre In Western Serbia



DR JELENA RAKOVIĆ RADIVOJEVIĆ,
MAYOR OF UŽICE

A CALL FOR TOURISTS

Its natural beauty makes the Užice region one of the most appealing in the Balkans and carries a great potential for development based on tourism. We pay special attention to rural tourism, and our recognizable sights are of great interest to visitors: Tara National Park, Mokra Gora - Shargan, Zlatibor Nature Park, Potpeć Cave, Cetinje River Canyon, the Old Town, a hydroelectric power plant under the town – the first power plant in Europe built according to Tesla's principles – and the new legacy of the painter Mihailo Milovanović. During the year, internationally renowned festivals are held in the municipality: Kustendorf Film Festival, Užice Summer, Native Days of Mokra Gora, Jumps from the Old Railway Bridge, Žestival, Yugoslav Theatre Festival, Licidersko Srce, Zlakusa Colony, Suva Igla Bienale.



The approach of the Miloš the Great motorway to Užice will further strengthen the capacity of our city as a regional centre.

We have contributed to this by creating a good business climate with the business friendly certification (BFC SEE), which has shown our commitment to continuous work on development and qualified us for the support of national institutions and donors.

STRONG BUSINESS SUPPORT

The formation of a single administrative location has made our administration faster and more efficient for the public and for industry, and we have paid special attention to supporting entrepreneurship. A business incubator has been developed which in 1,600 m² is home to 15 companies with 120 staff. The activities supported by the incubator are productive, innovative and intellectual.

To stimulate entrepreneurship, we have reduced by 20% the municipal fee for manufacturing and for promoting a company on its business premises, while for bread and pastry production it was reduced by 50%. Through subsidies, we are encouraging successful self-employment programmes in cooperation with the National Employment Service.

MANY PLACES FOR INVESTORS

We offer investors plenty of space for business development. With the public-private partnership between Užice, the copper rolling mill AD Sevojno and Impol Seval AD, the Užice Free Zone was formed, one of 15 in Serbia, with eight companies. There are solid incentives such as duty-free import of equipment and raw materials for products intended for export, and exemption from VAT on energy.

The city of Užice also has the commercial zone Krčagovo with a large number of businesses and we are planning to build a new industrial zone with more than 30 hectares of available land at Bela Zemlja, whose greatest advantage is access to important roads on the border of Serbia, BiH and Montenegro. The construction of the Miloš the Great motorway opens new perspectives for the whole Zlatibor district. Work will soon follow to make Ponikve Airport fully operational.

In our great work for the further development of Užice, we will use the tailwind of all the reforms, efforts and results undertaken at state level, but we are also ready to change and reform ourselves. The results will not be absent.

Best In The Region For Investment

When a city meets the highest international standards of good business environment with almost maximum results, which makes it one of the most successful local governments in the entire region, then you know that starting a business there is a secure investment.

FOUR QUALITY AWARDS

Since the establishment of the business friendly certification programme and its expansion to the region of Southeast Europe (BFC SEE), the City of Leskovac has confirmed that it has developed an administration that offers services to existing businesses and potential investors. This year, we obtained our fourth certificate, fulfilling over 96% of the criteria, and in six of the 10 criteria we had top marks. Together with the municipality of Gradiška in BiH, this is the best result in the entire region.

CITY OF THE AUTO INDUSTRY AND BEST BARBECUE

In 2012, Leskovac began to address its development systematically. A Local Employment Action Plan was prepared and a functional office for local economic development was established, in charge of communication with existing companies and potential investors. In attracting investment, the city was guided by the recommendations of the BFC programme and we targeted investors from the industries in which we have the greatest potential. That is the reason why there is a number of investments in the automotive (South Korean Jura, British Aptiv and Greek Autostop), textile (Turkish Jeans, German Falke and domestic Bim tex) and construction industries (IGM Mladost and Terastil). When it comes to local investors, DCP Hemigal stands out. Another strong point of Leskovac is our unique touristic offer – gastronomic events such as the great annual barbecue festival Rostiljijada, and local specialties such as barbecue and ajvar, in addition to famous sights: the small hydroelectric power plant in Vučje (the second oldest in Serbia), Caričin Grad, the Textile Industry Museum and many others.

WELL-DEVELOPED INFRASTRUCTURE

Large investments and a well-developed economy would certainly not have come about if the City of Leskovac had not created optimal infrastructure for business, with a special emphasis on the construction of a gas pipeline, the central wastewater treatment plant and city collector, the newly equipped industrial zone, the regional sanitary landfill at Željkovac and Barje water system. The strategic position of the city on Corridor 10 is also important, it is less than three-hour-drive away from Belgrade and Sofia by motorway, and four hours from the sea in Thessaloniki. To provide investors with the best conditions, the city can offer urban construction land free of charge, exemption or reduction of fees for preparing construction land, exemption for certain large, medium, or small legal entities and sole traders from paying municipal charges to establish a company.



GORAN CVETANOVIĆ PHD,
MAYOR OF LESKOVAC

ECONOMIC MEASURES SOFTEN LOCAL EFFECTS OF CRISIS

National economic policies have had a strong impact on mitigating the consequences of the pandemic, both throughout Serbia and locally. In that sense, it is important to point out the speed with which our economy adapts to new circumstances, and as a doctor, I would like to emphasize that Serbia takes the lead in vaccination. A measure that I think would be relevant in these circumstances is a greater incentive for domestic investors, primarily small and medium enterprises, because it would contribute to economic activity and employment.



Strategic Position Is Our Main Asset



ZDRAVKO MLADENOVIĆ,
MAYOR OF BATOČINA

STATE SUPPORT IS IMPORTANT

Our task is to recognize the needs of our residents, and for the state to create an environment to provide them with good living conditions. The state has really made great efforts in recent years to make both small and underdeveloped municipalities attractive for investment. By supporting the equipping of industrial zones and finding foreign investors, the state can significantly improve the overall environment in a small municipality such as Batočina. On the other hand, investment in infrastructure, roads and public facilities should not be neglected, and the state has developed a strong mechanism of assistance to local governments through the Office for Public Investment Management.



400,000 people live within a of 30 km radius of Batočina. We are located near Corridor 10, an hour from Belgrade and have two industrial zones. We know how to use such potential.

TWO INDUSTRIAL ZONES

The key priorities of the municipal management are investment in infrastructure, especially in the construction of our own water supply system, sewerage network and wastewater regulation. Also, in order to provide good conditions for investment to businesses and potential investors, we must think about business infrastructure, or completing the equipment of our two industrial zones and creating an environment for attracting investment to reduce unemployment. Reducing unemployment is our top priority and my assessment of the scope and speed of the implementation of reforms is positive, because they really enable investors to realize their investments easily.

IDEAL POSITION FOR BUSINESS DEVELOPMENT

The municipality of Batočina has an excellent geographical position and it is our main and so far underused asset. We are located on the largest road in our country, exactly halfway between Belgrade and Niš and are practically an unavoidable stop when entering the regional industrial centre of Kragujevac. We are working on using our potential to build production facilities or distribution centres in one of our two industrial zones. One of our main promoters is the company Brzan Plast, the only waste plastic processor in Serbia. This family company founded on the territory of our municipality is a real example of how quality businesses can successfully develop in our environment. There are also companies such as Grah automotive, Aluroll, Polipak and others. Agriculture is our main occupation and we invest a lot through subsidies, and we see an opportunity in investing in tourism, culture and folk crafts.

WHEN IN BATOČINA, MAKE SURE YOU VISIT

We will always direct anyone wanting to know more about Batočina to the village of Brzan to see the Church Brvnara, built in 1822 by Prince Miloš Obrenović. The church is a monument and was active for more than 100 years until the construction of a new one, and now it is a landmark for guests from Serbia and the inhabitants of Batočina. Also on the territory of our municipality you will find Jerina cave, formed in the Paleolithic era, around 25,000 BC. It is one of the oldest archaeological sites and one of the first places of ancient life in Serbia.



NALED MEMBERS OUTLINE AN AGENDA FOR THE GOVERNMENT

At the 13th Annual Conference on Economic Reform in Serbia, NALED members had the opportunity to outline the next year’s Government agenda to the Prime Minister and government. By choosing three crucial recommendations among 10 priorities, they showed the direction these reforms should take to improve business conditions.

GB#	RECOMMENDATION TITLE	RELEVANT MINISTRY	VOTES
1.3	Reduce payroll deductions	Ministry of Finance	56%
13.16	Improve the wastewater treatment and monitoring system	Ministry of Environmental Protection Ministry of Agriculture, Forestry and Water Management	49%
3.3	Establish electronic health records	Ministry of Health	38%
1.24	Introduce non-cash payment of charges without proof of payment	Ministry of Finance	27%
13.4	Enable the issue of a consolidated certificate on paid taxes	Ministry of Finance IT and e-Government Office	19%
7.1	An online register of agricultural holdings and subsidies (eAgrar)	Ministry of Agriculture, Forestry and Water Management	18%
14.1	Eliminate redundant bureaucracy in foreign exchange operations	National Bank of Serbia	18%
5.2	Abolish the conversion fee for land property rights	Ministry of Construction, Transport and Infrastructure	16%
1.23	Establish a public electronic register of non-tax charges	Ministry of Finance	14%
4.5	Extend the simplified registration of seasonal workers	Ministry of Labour, Employment, Veterans and Social Affairs	13%

Top Recommendations For The Day After



Solving just the 10 priority recommendations of the Grey Book 13 would revolutionise business environment in Serbia, and this is not an unattainable goal. For some of them, we have already secured financial donations and provided software. Some require just the will to change outdated regulation or IT creativity and engineering. Just a couple of them need extensive funding or in-depth analysis and delicate decision making

At first glance, the choice didn't seem that difficult, as our top ten recommendations directly affect both business and the public. They can reduce costs and facilitate administrative procedures, as they eliminate unnecessary bureaucracy and the need to submit documents in person.

FINANCIAL RELIEF

Reducing payroll deductions is both the most important business recommendation and the longest-lasting one in the Grey Book. NALED research has found that two thirds of business leaders think payroll deductions are the greatest obstacle to business and believe this obligation is the one most often avoided. This recommendation has been one of the key measures of the National Programme for Suppression of the Grey Economy since 2015. Although burdens on net income have gradually changed, coming down from 63% to 61% between

2018 and 2020, this has not been enough to eliminate the grey economy. Business leaders estimate that at least a quarter of all workers receive part of their payment in cash. Reducing payroll deductions is a particularly demanding reform, and we propose progressive taxation so that lower incomes are taxed less. We also propose abolishing contributions for obligatory healthcare and introducing the Beveridge model that would allow healthcare to be financed from general taxes. This would provide healthcare for all Serbians regardless of their employment status, increase our business competitiveness with lower labour costs, relieve the state administration, companies and the public as the validity of health insurance cards would no longer need to be extended, and make it easier to control funds for crucial healthcare investment. The data indicate that more than 98% of the population has some

form of health insurance, while just over half (55%) pay healthcare contributions. This reform can be designed so as not place an additional burden on the budget (5% of new beneficiaries), and it would allow everyone to have health insurance, while businesses would get an incentive they can really feel, to forge ahead with economic development.

REGISTER OF NON-FISCAL CHARGES

Establishing a register of non-fiscal charges is another long-standing Grey Book recommendation. Passing the Law on Fees for the use of Public Goods in 2018 was the first important step towards reforming them. But the scope of these fees remained insufficiently defined, which still affects the predictability and transparency of the fiscal system. A public, electronic register of non-fiscal charges is needed, including all state,

provincial and local charges, with obligatory effect. This would mean that a non-fiscal charge can be collected only if it is in the register. This would allow people and businesses to have secure knowledge of charges, and increase income control for all beneficiaries of public funds. Over the past year, with the help of KPMG and USAID, we listed almost 1,200 non-fiscal charges at the national level and scanned the system that collects administrative and utility fees at a local level. We are preparing this reform and the registry, as we want to present its appearance and advantages to the institutions and to the professional and general public.

Proposals to introduce non-cash payment of charges and unification of tax certificates is a good example of an anti-bureaucratic recommendation. It is evident that non-cash payments would save time and money for people and businesses. This would also allow us to abandon another relic of the past – payment slips – that forced us to run back and forth between bank and counter. The proposal to unify tax certificates issued by the central and local tax administrations would be a logical step to digitalising their issue. The next step could be to merge the two documents into one, and receive them electronically without payment, which would eliminate the hazard of one certificate expiring before you can get the other.

PUBLIC HEALTH

Establishing an electronic health card is the most urgent priority. Again, this recommendation has implications for everyone. The benefits are evident, as data on health conditions, tests and therapy would always be available, no matter whether the patient is at a private or state medical institution. Having to repeat medical examinations, laboratory analyses, or return to health centres to get referral letters would become another relic of the past.

This crucial recommendation for public health and well-being could be coupled with the recommendation for improving wastewater treatment. Since there are currently only a dozen treatment plants in Serbia, and we need over 300, it is evident that we are far from our goal. But the first step would be to make it easier for

companies to fulfil their obligations, then to strengthen the supervision to enforce them. Finding the funds for investment would be the next step. The state has provided support to build 28 more plants, signalling an awareness of the issue.

We are actively trying to extend the simplified procedure for registration of seasonal workers to new sectors: construction, tourism and hospitality, and domestic work. With the help of ministries, we are trying to expand this system as we have seen the positive effect this GIZ-supported electronic procedure has had on agriculture, with 44,000 seasonal workers registered in two years and taxes and contributions paid amounting to 590 million dinars. Workers who have been doing these jobs illegally for years or even decades will have the right to pensionable employment and healthcare in case of an occupational accident, and they would not lose their right to social benefits. Employers would have a simple registration procedure, and the state would have less people working in the grey economy. The importance of this recommendation was also highlighted by the IMF.

DIGITALIZATION OF AGRICULTURE

Digitalising a traditional sector such as agriculture is another priority. Registering or changing data about agricultural holdings proves to be a highly bureaucratic process, as it involves collecting and submitting many documents, two thirds of which are already in the possession of state bodies. An electronic system, called eAgrar, would allow people to finalise these procedures and apply for subsidies from their homes. The scope of this reform is also important, involving almost 400,000 agricultural holdings that would receive incentives faster and more easily.

On the other hand, the importance of the recommendation to abolish fees for land conversion to full property rights is primarily reflected in its potential economic impact. From 2015 to 2019, the state collected only seven million euros for land conversion, but lost investment and jobs amounting to tens or even hundreds of millions (loss of fees, income and corporate tax, VAT, etc). This

conversion has blocked the use of a vast area of construction land, as businesses feel they are forced to pay for the land a second time. Even when they start the conversion process, the final decision can arrive years later or the fee to be paid could surpass the initial cost of the land. It is obvious that conversion fees have not served their intended purpose, and now it is high time to abolish them and encourage investment.

And finally, if we are looking for the champion among overly complicated bureaucratic procedures, it would definitely be the Law on Foreign Exchange Operations. Just the fact that this regulation is followed by 33 bylaws should say enough. These acts impose very restrictive obligations and short deadlines, most of them out of sync with contemporary business operations. Every single Serbian company doing business abroad would support such a reform.

SUPPORT FOR THE IMPLEMENTATION

Solving just the 10 priority recommendations of the Grey Book 13 would revolutionise working conditions in Serbia, and this is not an unattainable goal. For example, we have already secured financial donations and provided software for some of them: establishing the register of non-fiscal charges and expanding the simplified procedure for registering seasonal workers. To abolish conversion fees or amend the Law on Foreign Exchange Operations what is most needed is just the will to change outdated regulation.

Establishing an electronic healthcare card, non-cash payment of charges, eAgrar and unifying tax certificates requires a lot of IT creativity and engineering, but apart from the time necessary to design and test the solutions, there is hardly any obstacle to these recommendations, not even amending laws and bylaws.

The construction of water treatment plants sets a clear goal, finding billions of dollars in donations, as this is the estimated price for the sewerage network and plants. Until then, establishing a functional model to reduce payroll deductions is the most delicate and long-lasting recommendation in the Grey Book.

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