

### PROGRAM OF THE GOVERNMENT OF THE REPUBLIC OF SERBIA OF THE CANDIDATE FOR PRIME MINISTER ANA BRNABIĆ

National Assembly of the Republic of Serbia 28<sup>th</sup> October 2020

#### Contents

INTRODUCTION	3
1. SERBIA 2025	7
2. SIX MAIN OBJECTIVES OF THE GOVERNMENT	
OF THE REPUBLIC OF SERBIA	10
2.1. Caring for the Health of Citizens and Strengthening our Health System	10
2.1.1. Digitization of Health Care	11
2.1.2. Health as an Economic Opportunity	12
2.2. Preservation of Vital Interests of the Serbian People in Kosovo and Metohija	13
2.3. Fight Against Organized Crime and a Comprehensive War Against the Mafia	14
2.4. Preservation of Independence and Independent Decision-Making of Serbia	16
2.4.1. Security and Defence of the Country	18
2.5. The Rule of Law and the Acceleration of Reforms on our European Path	19
2.6. Further Economic Strengthening of Serbia	22
2.6.1. Human Capacity Building	23
2.6.2. Innovations Aimed at Creating Added Value	25
2.6.3. Incentives to Entrepreneurship and Start-Up Ecosystem	26
2.6.4. Linking Science and Economy	27
3. OTHER PRIORITIES OF THE GOVERNMENT OF THE REPUBLIC OF SERBI	A 29
3.1. Environmental Protection and Green Transformation	29
3.1.1. Energy transformation and Sustainability	31
3.1.2. Mining	32
3.2. Smart, Resilient and Sustainable Agriculture	33
3.3. Artificial Intelligence (AI)	35
3.4. Creativity and Culture	36
3.5. Tourism	37
3.6. Sport	38
3.7. An Efficient and Responsible State	39
3.7.1. Public Administration Efficiency	39
3.7.2. Public Enterprise Reform	40
3.7.3. Social Policy	41
3.7.4. Population Policy	41
CONCLUSION	44

#### INTRODUCTION

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

For the second time in my life, I have the enormous honour to stand before you and ask for support for the work program that I am proposing for the Government of the Republic of Serbia in the coming period.

Today, Serbia is significantly a different country than the one it was in 2017 and fundamentally different than it was in 2014. That change did not happen by itself. Changing a country in the way that Serbia has changed in the last six to seven years required political will, determination, political courage, vision, love and faith in that country, as, above all, Aleksandar Vučić had when he took over the leadership of this country and the responsibility for the quality of life in it. That will, that determination, such courage, along with vision, love for Serbia and faith in our people - have led to fundamental changes in almost every segment of our society.

We stopped being a country that records historical defeats and we started to win. We began to believe in ourselves and our own success, instead of looking for excuses for failures. We started working and we stopped whining. At the international level, Serbia has become a country that is respected and esteemed. A country that pursues an independent and autonomous foreign policy, a reliable partner for talks, and not a country that is being faced with conditions and ultimatums.

Today, Serbia is financially and economically a stable country. A country where unemployment is at a record low level of 7.3%, the average net salary exceeds  $\in$  500 and a country in which salaries and pensions are continuously rising. A country that has entered a period of stable growth, whose rate is one of the highest in this part of Europe - probably the highest this year.

And this should be a source of pride for all citizens of Serbia, because we did this together. We worked together, we fought together, we changed our habits and thoughts so that we would be more successful and so that our society would be more successful.

What we have done in the past six to seven years has been anything but easy.

When the Serbian Progressive Party (SNS), with its coalition partners, took responsibility for running our country and for the quality of living in Serbia, Serbia was a country on the verge of bankruptcy, with growing public debt, a huge and uncontrolled budget deficit, which in 2012 reached as much as -6.4% of gross domestic product (GDP), lacking significant investments - both foreign direct investment (FDI) and public investment in capital projects in relation to GDP (only 2.2% in 2012) with high inflation, which reached 11.5% in 2011, an unstable currency (the dinar devalued by as much as 23% against the euro from June 2011 to June 2012, from 96 to 118 dinars), huge unemployment at a rate exceeding 25% (youth unemployment was over 51%). A country with huge problems, with a collapsed army and security apparatus. A country without perspective, without faith in itself, its people and its future. A country that at that time had not even started pre-accession negotiations with the European Union

(EU), without political courage and vision for difficult decisions and necessary reforms and without courage to clearly state the direction and principles of its own foreign policy.

As the Prime Minister of the Republic of Serbia in 2014, Aleksandar Vučić began the transformation of our country. The goal of the then Government was: to bring finances in order, i.e. to reduce the budget deficit and control public debt; establish macroeconomic stability, primarily through reforms that will improve business conditions in Serbia; put inflation under control as well as currency risk; reduce huge unemployment and jump-start the economy; and build Serbia's political and economic credibility.

Until 2017, when I as candidate for prime minister, submitted a program for the work of the Government of Serbia, this first (and most difficult) phase of transformation has already given visible results. Serbia has achieved financial and macroeconomic stability, unemployment was significantly decreased (during 2017, the unemployment rate fluctuated between 13% and 14% with a clear trend of declining and growth of employment), the economic recovery was showing (growth in 2016 was 3.3%), we have significantly improved business conditions (which was best seen in relation to the jump of Serbia on the Doing Business List of the World Bank, but also by the fact that FDI in Serbia in 2017 had already reached a record  $\in$  2.6 billion), we set out to solve, and we have solved, some of the most difficult issues that have seriously burdened our budget for decades (Železara Smederevo and RTB Bor), and Serbia has both politically and economically become a credible partner.

In 2014, Serbia opened accession negotiations with the EU and set EU accession as its main strategic goal, with an open and transparent policy of respect, friendship and partnership with other countries around the world, such as the People's Republic of China (PRC), the Russian Federation, United States of America (USA), but also the United Arab Emirates (UAE), India, Turkey and others.

That is why I was clear in 2017: that Government was the Government of continuity with economic, domestic and foreign policy set by Aleksandar Vučić in 2014, with the task of moving to the next phase of transformation of our economy and our society. That transformation, necessary for continuing to build our economy and strengthen our society, was a general digitalization - of the economy, education, and public administration.

We knew then that in the mandate of that Government, unemployment would fall below 10%, which is what happened; we knew that we had already managed to build the credibility of a safe and quality investment destination and that we needed more dynamic growth to further build on the sound foundation provided by the previous Government owing to difficult and unpopular - but necessary - reforms implemented since 2014. Starting from these premises, the only smart and logical decision was to start the transition from an economy based on labour-intensive investments (which was necessary when unemployment was over 25%) to an economy based on innovation, research and development (R&D), know-how and creativity. Digitalization, although many people did not believe in it at the time and did not think that we in Serbia were ready and capable of it, was the best and most logical choice.

That is why I then made the decision that digitalization and education will be the main focus of the Government, and that the main goal is to start the transformation of our economy and our society, to make a bold step that will require all of us to change, to continue learning and facing new challenges, but knowing that this is the only chance to make up for lost time in the past and much faster to reach the quality of life in Western Europe.

Digitalization and the fourth industrial revolution provided a unique opportunity for our country and its citizens to overleap a few steps, to start to catch up with those we lagged behind, quickly to raise the added value of our economy, to achieve a competitive advantage, to raise average salaries faster, and thus pensions, and to improve the quality of life.

And we have achieved a lot in all areas - education, public administration, economy and setting up infrastructure for further development. We have succeeded in our goal of beginning this important transformation of our society and our economy. We have achieved much more dynamic growth of our GDP: from 2016 to 2020, the GDP of Serbia grew by a total of 14.8%. In the fourth quarter of 2019 and in the first quarter of 2020, Serbia achieved the highest quarterly GDP growth in Europe (6.2% and 5.2%), while in the second quarter, during the COVID crisis, it achieved one of the smallest declines in the economy, of -6.5%. We expect to be the country with best economic results in Europe achieved this year.

The unemployment rate fell by over 6%, from 13.8% to 7.3%, and registered employment rose by almost 10%, to about 200,000 jobs. Today, average salaries are higher by 34%, from 43,951 dinars in May 2016, they jumped to 58,892 dinars in May 2020. The minimum wage increased by 52% compared to 2016, from 21,130 dinars to 32,126 dinars. Serbia's credit rating has been upgraded from BB to BB+ with Standard and Poor's and Fitch. The share of public debt in GDP dropped from 67.8% at the end of 2016 to below 50% (48.4%) at the beginning of 2020. Although the share of public debt in GDP increased due to the crisis, Serbia, while maintaining a responsible macroeconomic policy, managed to keep the share of public debt in GDP below 60% (56.8%). Inflation was kept within the projected limits or even went slightly below them. Foreign direct investment reached a record  $\in$  3.6 billion in 2019, almost twice as much as in 2016. Exports of goods reached  $\in$  17.5 billion in 2019, which is almost by 46% more than in 2015. Exports of ICT services in 2019 were almost twice as high as in 2016 and amounted to  $\notin$  1.42 billion. The surplus in 2019 in the exchange of ICT services is the largest in the exchange of any goods or services from Serbia.

In some areas, only in the previous three years, Serbia has gone further and changed faster than many European countries. Here, first of all, I mean the reforms in the education system, thanks to which we have become one of the leaders in Europe in the education of students in the field of information technology (IT). Since 2017, informatics has been a compulsory subject in primary schools (PS) since the fifth grade, where students also learn block programming (mostly in the programming language Scratch), while from the sixth grade onwards they also learn text programming (usually in the Python programming language). In the eighth grade they already encounter elements of data science. From this academic year, for the first grade pupils we have introduced the subject Digital World, in which they learn from an early age to understand the world in which they live, and to be better prepared, versatile

and with more self-confidence than their peers in other parts of Europe and the world. In secondary schools, the number of specialized IT departments was significantly increased (to over 50), so that almost 2% of first grade secondary school students take specialized IT classes.

We have provided Internet access in all primary schools and we have invested an additional  $\in$  10 million in high speed Internet access for 1,000 schools. In the academic year 2018/19, a pilot project of digital textbooks was conducted in 2,000 classrooms in primary schools throughout Serbia, while in the academic year 2019/20, we have 10,000 digital classrooms in which digital textbooks are available to all first grade pupils, as well as to a large number of second, fifth and sixth grade students. The complete digitalization of schools, commenced during the mandate of the previous Government, must be completed by 2022.

That is why it is important to emphasize that this will also be the Government of political and economic continuity and that we will continue to take care of the stability of our country and its finances, continue to fight for faster economic growth and better quality of life of our citizens, to strengthen the infrastructure of our country and to connect it with the region, to continue with the focus on digitalization as a basic tool for our transition to a society and economy based on knowledge and innovation, but also that we shall, in accordance with our needs, the challenges we face and the results we have, open new topics that will further contribute to the strength of our country and the quality of life in it. Therefore, we continue everything that we commenced and worked on in 2014 and 2017, but in the mandate of this Government, we must open new topics and areas and start new reforms and face challenges. Let us continue building on it.

The six goals that we will pay special attention to are: (1) taking care of the health of citizens, fighting the COVID-19 virus and strengthening our health system, (2) preserving the vital interests of the Serbian people in Kosovo and Metohija, (3) fighting organized crime and waging comprehensive war against the mafia, which thought it could be stronger than the state, (4) preserving Serbia's independence and autonomy in decision making, (5) the rule of law and accelerating reforms on our European path, and (6) further strengthening of Serbia's economy.

We know that Serbia can do much better.

We have to work even harder, with even more energy and dedication, because, although we are not the country that Serbia was until only six or seven years ago, even with these results, not all people in Serbia felt a sufficient and concrete improvement in the quality of life (how much money they have in their wallets, what they can afford for themselves and their children for that money, do they have an asphalted road leading to their house, do their children and grandchildren have Internet in their village, can they easily reach a doctor and get adequate care).

We need to further change ourselves and our system for the sake of faster growth and much higher average salaries and pensions.

Finally, in terms of the most specific projects, as responsible politicians, in cooperation with the President of the Republic of Serbia, we created the program "Serbia 2025". This represents a program of specific areas that will be in the focus of the Government

and contains a list of specific projects worth close to  $\in$  14 billion, which this Government and all its departments will adhere to and implement, in order to reach the set goal by the end of 2025:  $\in$  900 average salary in Serbia and between  $\in$  430 and  $\in$  440 average pension benefits in order to provide a better quality of life for our citizens in every sense.

#### 1. SERBIA 2025

In just a few years, we have managed to build 320 km of new highways - more than in the previous four decades. We have completed the highway on the Pan-European Corridor X and today we have a highway from Niš to the border with Bulgaria and from Grdelica to the border with Northern Macedonia. We have completed and opened to traffic 120 km of the highway on the Corridor XI ("Miloš Veliki" highway), so that today the journey from Belgrade to Čačak takes only one hour and a half, with a huge improvement in traffic safety and saving the lives of all traffic participants.

We started the construction of another 290 km of highways and expressways: we continued the construction of the highway "Miloš Veliki" to Požega and commenced with the construction of the Morava Corridor from Pojate to Preljina. We are building the section Ruma-Šabac-Loznica and the highway from Belgrade to Sarajevo (Kuzmin-Sremska Rača), we are connecting Valjevo with the highway "Miloš Veliki" (section Iverak-Lajkovac). We will soon finish the last section on the Kragujevac-Batočina highway, which will put the whole link to Kragujevac into operation. Works are also underway on the bypass around Belgrade, from Ostružnica to Bubanj potok, the construction of which will displace most of the cargo that transits through Belgrade. We have started works on the fast railway line Belgrade-Novi Sad, and already at the end of next year, our citizens will travel between these two cities in just 25 minutes, at a speed of 200 km per hour.

Next year, we will start with the construction of the "Fruškogorski Corridor", the underground train system in Belgrade and the "Peace Highway" (section Niš-Pločnik). We continue the preparation of the design and technical documentation for the construction of the highway Belgrade-Zrenjanin-Novi Sad (so-called "Vojvodjansko P"), and the expressway Sombor-Kula-Vrbas-Bečej-Kikinda, whose construction will transversely connect all parts of the north of the country. We are allocating funds for the construction of the northern bypass around Kragujevac, the bypass around Loznica and the bypass around Novi Sad with a new bridge over the Danube, and by 2023 works on the Vožd Karađorđe highway and the construction of the southern branch of the Belgrade-Sarajevo highway should begin (section Požega – Užice – Kotroman). Continuation of the construction of the priorities.

We are also continuing with the modernization and reconstruction of the railway network. In the "Serbia 2025" program, we have allocated more than € 3.5 billion for the improvement of our railways. Next year, we will start with the works on the section of the Novi Sad-Subotica high-speed railway line, while we expect the completion of the complete railway from Belgrade to the border with Hungary within 33 months from the date of commencement of the works. Next year, we will start with the modernization of the Niš-Dimitrovgrad railway line, a project that we are implementing in cooperation with our European partners, partly through a grant from the Investment Fund for the Western Balkans (WBIF). At the same time, we are working on the preparation of

design and technical documentation for the modernization of the railway from Belgrade to Niš for speeds up to 200 km per hour, and from Niš to Preševo for speeds of up to 160 km per hour. After the completion of the preparatory documentation, the preparation of which is in progress, we will commence the works on the reconstruction of the Bar railway line, which will completely cover the main railway lines on Corridors X and XI. The technical documentation for the construction of a modern Dispatch Centre will be finished soon, from which the entire railway traffic in Serbia will be managed. We expect it to be completed in 2023.

We do not forget the east of Serbia, where "Serbia 2025", in addition to the construction of the highway "Vožd Karađorđe", also envisages the construction of an expressway leading to Golubac, starting from the highway Belgrade - Niš and via Požarevac and Veliko Gradište. All these investments in the eastern part of the country will be accompanied by the gasification of this region and the formation of a zone specialized for the chemical industry in Prahovo. The works on expanding the capacity of the Port of Prahovo will begin next year. In this way, with the existing investments, the eastern part of the country becomes more competitive for attracting foreign and domestic investors, all in order to raise the standards of the population and prevent the drain of people from this part of the country.

We will continue to invest in the development of water transport, for which almost € 300 million are planned in "Serbia 2025", first of all for the construction of the new Port of Belgrade and the expansion of the capacity of the ports of Bogojevo, Sremska Mitrovica and Prahovo, as well as for the development of intermodal traffic (intermodal terminal in Batajnica). We will expand the "Morava" airport with another additional runway.

Almost  $\in$  900 million have been set aside for the improvement of the sewerage network and wastewater treatment for a total of 68 cities in central and southern Serbia. The plan includes the reconstruction of the existing sewerage network in 68 cities, the construction of the missing sewerage network and the construction of wastewater treatment plants. We have set aside over  $\in$  120 million to improve the water supply.

In 12 town (Sombor, Pančevo, Valjevo, Kragujevac, Užice, Kraljevo, Niš, Vranje, Subotica, Sremska Mitrovica, Pirot and Požarevac) we will expand the capacities of existing regional landfills and build 3 collective plants for solid waste combustion and electricity production in that process, at locations to be determined later.

As for the energy infrastructure, we will work on the development of gas networks: in the first half of next year, we will start building the gas interconnection Serbia-Bulgaria, and the construction of gas connections with neighbouring countries, such as Romania and Bosnia and Herzegovina, is also planned. One of the most important projects in the energy sector is the construction of the so-called "Turkish Stream", i.e. the main gas pipeline from the border with Bulgaria to the border with Hungary. The laying of pipes has already been completed, and with the completion of the block and metering stations, as well as the construction of a large compressor station in Žabari, we will complete this project.

We will expand the storage capacities for natural gas in Banatski Dvor, from the existing 450 to 750 million cubic metres in the first phase, and then up to 1 billion cubic

metres in the following phases, which will increase the energy security of Serbia. The priority in the gasification of Serbia in the first phase will be the districts of Pčinj and Kolubara, and then eastern Serbia, followed by the construction of the Leskovac-Vranje gas pipeline, and the gasification of Kraljevo and Arilje.

Bearing in mind that the current production of electricity in Serbia is largely based on the reliable operation of coal-fired power plants, and that due to obsolescence we have to close some existing capacities, investments are planned in the replacement capacities needed during our energy transformation (green transition). In addition to Unit B3 in Kostolac, whose construction is in progress, the construction of a new unit in the thermal power plant Kolubara B in Kalenić, with an installed capacity of 350 MW, is planned. In addition to this, in the coming period we will place greater focus on the development of projects from renewable energy sources, primarily unused water potentials (Morava, Ibar and Drina), as well as on the project of the reversible power plant Bistrica.

The "Serbia 2025" program also envisions investments in agriculture, tourism, digitalization and education, sports infrastructure, culture, as well as health, youth care and population policy. Most of these projects will be discussed in the exposé itself, and the implementation of this program will be a priority of the future Government in order to, in every sense, further improve the quality of life of all citizens of the Republic of Serbia.

# 2. SIX MAIN OBJECTIVES OF THE GOVERNMENT OF THE REPUBLIC OF SERBIA

#### 2.1. Caring for the Health of Citizens and Strengthening our Health System

In the previous period, investments in health infrastructure (renovation of facilities and procurement of equipment) were extraordinary significant, and the goal of these investments is to provide such conditions for prevention and treatment in Serbia that, when the planned and started investments are implemented, the quality will be equal to the with conditions in developed EU countries. When planning these investments, the facilities of the smallest village outpatient's clinics are equally taken into account, as well as the facilities of the largest health care institutions of national and regional importance.

Four years ago, on the initiative of the then Prime Minister of the Republic of Serbia, Aleksandar Vučić, a project "€ 1 billion in health care" was launched, aimed at the reconstruction and upgrade of our health institutions in which no investments have been made for decades, as well as the purchase of state-of-the-art equipment. The conditions in which our citizens were treated and worked by our doctors, nurses, technicians and their teams until then reflected decades of helplessness and neglect.

Since 2016, almost 80 primary health care facilities (health centres and outpatient's clinics) worth more than  $\in$  16 million have been renovated. Works are underway on 6 large health centres, with a total value of  $\in$  15.2 million, and procurements have been initiated for several more health centres. We are investing more than  $\in$  200 million in the renovation and construction of 20 general hospitals (GH) and health centres

throughout Serbia. Work has already begun on some of them, such as Aranđelovac, Smedrevska Palanka, Prokuplje, Loznica and Vrbas. We are investing more than € 300 million in the construction and renovation of clinics and specialized hospitals. On many of them works have been completed, such as the University Children's Clinic Tiršova, KBC Zemun, KBC "Dr Dragiša Mišović", Emergency Centre - Phase 1.

During the mandate of the previous Government, the first Clinical Centre in Serbia, KC Niš, was completed. Works are underway at the Clinical Centre of Serbia (investment value around  $\in$  110 million), where the first phase will be completed at the end of 2021. We expect soon the works to commence on the complete reconstruction and construction of KC Vojvodina (the value of the investment is around  $\in$  34 million), as well as the tender for KC Kragujevac (estimated value of  $\in$  30 million).

It will be an absolute priority for the Government to successfully complete the started health infrastructure projects, and above all the KC Srbije, Clinic for Infectious and Tropical Diseases, Institute for Cardiovascular Diseases (IKB) Dedinje 2, as well as all general hospitals and health centres that have started - some , such as OB Prokuplje - four decades ago. In parallel, we have to start new projects, such as the construction of a completely new University Children's Clinic Tiršova 2 and the reconstruction and construction of KC Vojvodina.

The rightness of investing in health infrastructure was proven more than ever during this year, when the whole world faced a pandemic of the coronavirus, which Serbia is fighting more successfully than much richer and more developed countries in the world. Thanks to new and reconstructed facilities, we managed to admit and treat all patients in Serbia. Our health workers fight with dedication throughout the year, without breaks and continuingly, and I wish to take this opportunity today to thank them for this - both them and their families. We will work in the future to provide them with even better living and working conditions in every way. Thanks to our fiscal stability and economic strength, we were able to provide funds for huge extraordinary expenses - medical treatment, apparatus, tests, protective equipment - during the COVID crisis and at the same time increase the salaries of health workers by 10%. The health care system of Serbia has shown readiness, professionality and resilience that we should all be proud of.

In order to continue to successfully fight against coronavirus, and at the same time to provide treatment to all other patients, the priority is to, in cooperation with the Serbian Army, complete two completely new COVID hospitals by the end of the year - in Belgrade and Kruševac - and thus to further increase our capacity.

Once again, we are infinitely grateful to our health workers for everything they do and for all the sacrifices they make, together with their families. They are one of the basic pillars of our society and the reason why we have managed so successfully this year - both health wise and economically - to fight the coronavirus as a country. Until 2013, salaries in the health care system were shamefully low - the salary of a specialist doctor amounted to 67,540 dinars, while the salary of a nurse amounted only to 32,454 dinars. Enormous attention of all the past years has been given to investing in the salaries of health workers, in parallel with investing in better working conditions. By 2020, we managed to increase the salaries of specialist doctors by 56.8% and they now amount to 105,897 dinars, and to increase the salaries of nurses by 66.9% and they now

amount to 54,166 dinars. We will continue to invest significant funds in the continuous increase of salaries in the health care system, as well as in their education, the equipment they work on and the conditions in which they work. This will be one of the absolute priorities of the Government of the Republic of Serbia.

#### 2.1.1. Digitization of Healthcare

During the mandate of the previous Government, we initiated the process of comprehensive modernization and digitalization of our health care system in order to obtain connected, efficient and better health care in Serbia.

Connected health means that all medical data is digital and available where it is needed, when needed, so that all other processes can be streamlined, and the quality of health care can be improved. To achieve this, it is necessary for all health care institutions to have modern information systems and to be connected into a single system that will enable the exchange of all relevant data. The fortunate circumstance is that most health care institutions already have such systems, although not all yet. An additional challenge is that not all institutions have a secure Internet connection, but we are already working on it to overcome these challenges by the end of 2021.

This Government must also provide all citizens of Serbia with a single electronic health card in which data from all health institutions will always be available to citizens, and to their doctors whenever they need them. In this way, the citizens will really be placed in the centre of the health system. The connected health system will be much more transparent, more efficient and of better quality, with significant savings for the state budget, which will then be able to be directed to the health infrastructure and salaries. And just as since the introduction of e-Government, citizens are no longer couriers to civil servants, so citizens will no longer have to carry papers to health workers, who will access them electronically. In this way, we will save citizens millions of hours, relieve health care institutions, and enable health care workers to have more time to really dedicate to their patients in the best possible way.

Of course, we will continue to pay particular attention to protecting the privacy of patients and their personal data, in accordance with the highest safety standards.

#### 2.1.2. Healthcare as an Economic Opportunity

The tremendous advances in the biological, medical, pharmaceutical, and technological sciences in recent years have led to a revolution in the way we use the achievements of these sciences in the service of human health. At the same time, as in other areas covered by the fourth industrial revolution, in the field of biomedical sciences, unprecedented economic opportunities are being created, which we must use in the best possible way for the economic prosperity of Serbia.

The World Economic Forum has estimated that the amount of medical knowledge in the world is doubling every 73 days, which is a pace that a human being, without the help of technology, can no longer keep up with. Due to rising costs, on the one hand, and advances in science and technology, on the other, it is clear that 20<sup>th</sup> century health systems will not be able to support the health challenges and technological advances of the 21<sup>st</sup> century.

In addition to improving the efficiency and quality of health care, we see the field of health and biomedical sciences in a broader sense as a significant opportunity for the development of our economy. We are talking about a huge global market that has a tendency of strong growth, and the estimate of the World Economic Forum is that in 2040, the world will spend \$ 25 thousand billion a year on health care. As in other areas where technology is causing a real revolution, new "players" have an opportunity for growth that they would not have had without these changes, and we want as many of them as possible to be from Serbia and in Serbia.

Domestic intelligence, both scientific and economic, has repeatedly shown that it can make world-class medical devices. If we support them and help them gain reference, experience, and initial strength through application in our healthcare system, I believe they will be capable of competing equally successfully with competitors from any part of the world.

In addition to the development of technology of domestic companies, it is equally important for us to attract as many relevant international companies as possible, primarily in two areas: clinical trials and research and development centres. During the mandate of the previous Government, together with the Agency for Drugs and Medical Devices (ALIMS), we did a lot in digitalization and shortening the process of approving clinical studies, and we provided conditions for rapid identification of potential patients for new studies, which made Serbia very competitive on the international market and we have been witness to a significant growth of this industry in recent years. We intend to continue to support the attraction of as many clinical studies as possible to our country in order to improve the quality of treatment of our people.

In addition to clinical trials, it is extremely important for us to achieve high-quality cooperation with relevant international companies, both pharmaceutical and biotechnological, in order for them to develop their new therapies and medical devices from Serbia for the whole world. In the great, essential transformation that the pharmaceutical industry in the world is initiating by gradually shifting the focus from the production of pharmacological drugs to biological, cellular and genetic therapies of personalized medicine, we believe that there can and must be room for domestic geneticists, molecular biologists, microbiologists, pharmacists and other professionals, as well as for our academic and scientific institutions, to give their full contribution to the global development of advanced therapy medical products. We want these products to be developed and produced in Serbia. The future of biomedical sciences (so called "life sciences"), including healthcare, is extremely exciting and our goal is to be as successful in this area as is our IT sector.

#### 2.2. Preservation of Vital Interests of the Serbian People in Kosovo and Metohija

The new Government will continue to pursue a policy of protection of vital national interests, peace and cooperation, when it comes to Kosovo and Metohija, and whose goal is to protect our people, cultural and religious heritage in Kosovo and Metohija, but also the peace and stability in the entire region.

Priorities in this regard will be preserving political stability in the territory of the Autonomous Province of Kosovo and Metohija by implementing the established state

policy, continuing negotiations with the Provisional Institutions of Self-Government (PIS) in Priština under the auspices of the EU, improving economic development and living conditions and economic empowerment of the Serbian population in Kosovo and Metohija, as well as the continuation of the struggle for the preservation and return of usurped private and state property and support for the return of internally displaced persons.

We will remain consistent and determined in order to ensure the fulfilment of all agreements agreed in the Dialogue, and above all, the Brussels Agreement signed in 2013, in order to protect the interests and security of Serbs in Kosovo and Metohija and to create conditions for improving the quality of life of all citizens who live there. In particular, we will insist that it is necessary to take concrete steps as soon as possible in order to establish the Community of Serbian Municipalities (ZSO) in the manner provided by the Brussels Agreement and the General Principles from 2015.

On this important issue, which is perhaps the biggest challenge for long-term sustainable security and stability of the entire region, the Government of the Republic of Serbia will coordinate all its activities and moves in detail with the President of the Republic of Serbia Aleksandar Vučić and representatives of the Serbian population in Kosovo and Metohija, because political unity on this issue is our absolute priority.

For the Republic of Serbia, the unilaterally declared independence of the territory administratively covered by the Autonomous Province of Kosovo and Metohija is not acceptable, and our goal is the normalization of relations with Priština, which will bring security and prosperity to everyone in Kosovo and Metohija and security to the entire region. More broadly, our vision is to achieve a historic compromise and reconciliation between the Serbian and Albanian people.

## 2.3. The Fight Against Organized Crime and a Comprehensive War Against the Mafia

The fight against organized crime is one of the most important priorities of the Government of the Republic of Serbia. At this moment, organized crime is, without any doubt, the greatest threat to the internal security of the Republic of Serbia, and criminal groups are our most dangerous opponent.

All the kilometres of new highways, new factories, new jobs, new hospitals, schools and all the economic successes we have achieved in previous years will not be worth much unless we deal with the mobsters who thought they were stronger than the institutions. Organized crime is strengthening, regionally and globally connecting and threatening the very foundations of the state and society.

Organized criminal groups have huge sums of money at their disposal, with which they are trying to penetrate politics, sports, media, police, security services, and the judiciary. Criminal organizations want to control every segment of society and manage politics, the economy, and the entire public sphere. The Government of Serbia must resolutely and bravely oppose this, and I am convinced that we have the necessary knowledge, expertise, and courage for it.

At the end of 2019, the second national Assessment of the threat of serious and organized crime was made, in which the following areas were identified: drugs, human smuggling and trafficking, property crime, weapons, economic crime, money laundering, cybercrime, environmental crime. In addition to the above security threats, we will continue with activities aimed at combating serious and organized crime:

- Combating drug production and smuggling, as one of the dominant and most profitable forms of crime in the Republic of Serbia,
- Combating all forms of corruption through the implementation of measures and activities from the Action Plan of the National Strategy for the Fight against Corruption,
- Fight against terrorism and violent extremism leading to terrorism by implementing a wide range of measures, starting from fulfilling strategic preconditions and improving the system for combating terrorist financing in the Republic of Serbia, to improving the operational, professional and material capacities of the organizational unit dealing with terrorism and extremism,
- Fight against the abuse of information and communication technologies, which is increasingly present in the territory of the Republic of Serbia due to the tendency of rapid development, which increases the number of committed crimes.

In the coming period, it will be of great importance to consistently implement the planned activities on the implementation of the Development Strategy of the Ministry of Interior (MIA) 2018-2023 and the Strategic Police Plan for the period 2018-2021, which aim to ensure the safety and security of citizens from all identified security threats. Also, in the coming period, through a multisectoral approach and cooperation with the community, a new Strategic Assessment of Public Safety for the period 2021-2025 will be prepared, which should identify future threats to the security of the community and citizens.

The Republic of Serbia is committed to the establishment and development of the National Criminal Intelligence System (NKOS) as a mechanism to improve cooperation and exchange between state authorities, developed with the help of European partners, in combating organized and serious crime and corruption, and shall represent a model of the system that is being developed in the EU as well. This will be an important segment through which state authorities and institutions in charge of combating organized and serious crime will exchange data and information via a secure electronic platform, which will contribute to a more efficient, effective and economical fight against organized crime.

Organized criminal groups are extremely dangerous and skilled in manipulating, spreading false news and concealing their true intentions. We expect that in the coming days and weeks, criminal organizations will intensify their media activities, we expect that they will continue to criminalize and attack President Aleksandar Vučić, as a man who declared war on the mafia and a symbol of the fight against them. We expect a wide range of accusations: from the alleged betrayal of national interests to the alleged threat to democracy and human rights. We expect them to invent new scandals to

undermine the trust of citizens in the highest holders of state functions and the state itself. We will oppose the media war that organized crime is waging against the Republic of Serbia with the truth, by timely informing the citizens of Serbia and exposing all the lies and true intentions of those who spread those lies.

Serbia has trained and equipped security services that have the knowledge, strength, and courage to face any opponent. Along with these services and the entire executive power, the victory over organized crime will require the participation of all branches of power, and above all, the judiciary. We will provide full protection to all those involved in the fight against organized crime, and any police and financial inspector, prosecutor, judge, journalist, or Government official who is targeted by criminal gangs will be protected. Every citizen who helps in the fight against crime will be protected.

The teams that will be involved in this fight will be composed of the most experienced, honest, and professional people.

There are two key points on which we will deal a decisive blow to organized crime: cutting off their sources of funding and breaking their network of influence in state authorities, politics, and the media.

The role of international cooperation in combating organized crime is particularly important because criminal gangs are internationally connected. The Republic of Serbia has the capacity to be an especially important factor in the international fight against organized crime.

We know that this fight will not be easy or simple, and we expect the support of all citizens of Serbia, but also the absolute support of the legislative and judicial branches of power. This is a fight for our country and for the future of our children.

I have no dilemma, in the fight between the state and the mafia - the state will emerge victorious.

#### 2.4. Preservation of Independence and Independent Decision-Making of Serbia

The Republic of Serbia is a free, independent, and sovereign state. Serbia's main foreign policy goal is EU accession, the best framework for overall reforms, modernization, and development of Serbia. Serbia is sincerely committed to improving regional cooperation and strengthening relations with its neighbours will continue to be the focus of the next Government. At the international level, Serbia will continue to pursue a policy of respect, friendship and partnership with the People's Republic of China, to maintain traditionally friendly relations and strategic cooperation with the Russian Federation, as well as to work diligently to improve and build better relations with the United States. In the coming period, Serbia will also make efforts to further develop relations and improve cooperation with individual EU member states, such as Germany, France, Italy, V4 countries, as well as with other countries around the world, such as Turkey, Israel, UAE, India, Japan, Brazil and others.

The Government of Serbia will continue to pursue an active, transparent, predictable and clearly profiled foreign policy, which serves to protect vital national interests, improve the quality of life of the citizens of the Republic of Serbia, build a stable environment for the accelerated reform path, as well as to a better positioning of the Republic of Serbia on the regional, European and wider international level.

The experience we have made with the coronavirus epidemic has taught us that today's world of international relations and the logic of international cooperation is radically different from that of only a few years ago. Today we are in a highly globalized and radically connected age. The conditions of complex interdependence between states have caused the benefits of cooperation, but also all crises and challenges (health, economic, climate, migration) to be transferred and spilled over the borders of individual states at high speed. The fact is that today we live in a highly inter-connected world, but at the same time a world with more and more borders and mutual barriers.

In such a world, in addition to military, economic and health power, the strength and importance of countries is increasingly being defined by connectedness - who is connected to whom and how deeply. In practice, it has been shown that the countries with the largest capacity for connection, i.e. those that are more intertwined with other countries and actors in international relations, are much more capable of responding to crises, protecting the interests of their citizens, and amplifying their voice in the international arena. In the years ahead, the ability to deepen and create reliable and credible connections will increasingly determine the power and importance of states.

In principle rejecting the policy of isolation, confrontation and freezing of conflicts, the Government of Serbia will continue to pursue the Policy of Active Entanglement, further and deeper connecting with globalized networks, committing to actively accelerating European integration, regional cooperation, expanding ties with other partners around the world, as well as strengthening its presence in international organizations and transnational forums.

Starting from the position, importance and economic strength of Serbia in the regional framework, it is our responsibility and obligation to play even more strongly the role of the engine of regional networking, connectivity, encouraging cooperation, and stabilizing the situations. Only the development of good neighbourliness and further cooperation in all areas enables sustainable development of Serbia itself. Guided by the need to improve economic cooperation and further economic integration in the Western Balkans region, the President of the Republic of Serbia, Aleksandar Vučić, launched an initiative aimed at facilitating the free movement of people, goods, services and capital. Its purpose is to deepen the Regional Economic Area in the Western Balkans, the implementation of various measures that will bring fast, concrete and clear results, and which will be visible to our citizens and companies, will lead to much greater flow of goods and people, reduce business costs and increase competitiveness who are operating their business here – both domestic and foreign. All this will contribute to faster and sustainable development of our economies. The Government of the Republic of Serbia will continue with the implementation of the "Mini Schengen" initiative, i.e. the "four freedoms" (people, goods, capital and services) in order to contribute to the stability and connectivity of the region.

Finally, the Government of Serbia will continue to show a special interest in the status of Serbs and the Serbian language in the countries of the region, in accordance with generally accepted international norms and constitutional and legal obligations, and will continue to insist on respect for fundamental rights, language, identity, religion and

cultural heritage of the Serbs, in the same way that the rights of other peoples and national minorities are consistently respected in the Republic of Serbia.

In parallel with the process of accelerating European integration and a clear pro-European commitment of the new Government, the Republic of Serbia will, within the framework of the Policy of Active Entanglement, continue to work on improving bilateral relations, strengthening cooperation and further connections with other important partners in the global network.

As in the previous period, the Republic of Serbia will continue to promote traditional friendship and strategic cooperation with the Russian Federation. In the previous period, relations and ties with the People's Republic of China were significantly strengthened and raised to the level of a comprehensive strategic partnership and steel friendship. Serbia is one of the main partners of the People's Republic of China within the "Belt and Road Initiative", as well as in the China Cooperation Mechanism – CEEC 17 + 1. The new Government will continue to actively work on the improvement and strengthening of further political, trade, investment, scientific research, medical and other relations with the People's Republic of China.

The Republic of Serbia opened a new chapter in relations with the United States with the Washington agreement on the normalization of economic relations between Belgrade and Priština, as well as with the meeting of Serbian President Aleksandar Vučić with US President Donald Trump in Washington. Some of the most important agreements were concluded with the United States after several decades, and the opening of the regional office of the United States Development Fund (DFC) in Belgrade laid the foundations for further project and financial cooperation between the two countries. The new Government will continue to actively develop cooperation and further connect with the United States, working diligently on further mutual rapprochement, understanding, striving to use the increased interest of US investors to invest in Serbia, to improve the domestic economy and the interests of Serbian citizens.

The Republic of Serbia will continue to take care of cultivating the best possible relations with the member states of the Non-Aligned Movement, of which the former SFRY was the founder. The fact that passport holders of the Republic of Serbia can travel to 134 countries without visas or with a facilitated visa procedure also speaks of today's position and respect for Serbia in the world. Also, the number of scholarships for candidates from member states and observers of the Movement of Non-Aligned Countries within the project "World in Serbia" has been quadrupled from 50, in 2018, to 200, in 2020.

Serbia is a member of all important international economic and financial organizations, and in the coming period it will continue to work on membership in the World Trade Organization (WTO), which is, by the way, one of the conditions for joining the EU.

#### 2.4.1. Security and Defence of the Country

The positions and commitments of the security and defence policy, expressed in the highest strategic documents - the National Security Strategy and the Defence Strategy - adopted in 2019, represent the basis for further upgrading and strengthening of the

national security and defence system of the Republic of Serbia. These documents, through seven priorities, once again determine the national and defence interests and the foundations of the national security and defence system: preserving the sovereignty, independence and territorial integrity of the Republic of Serbia; preserving the internal stability and security of the Republic of Serbia and its citizens; preserving the existence and protection of the Serbian people wherever they live, as well as national minorities and their cultural, religious and historical identity; preserving peace and stability in the region and the world; European integration and membership of the Republic of Serbia in the EU; economic development and overall prosperity; as well as the preservation of the environment and resources of the Republic of Serbia.

The Republic of Serbia is committed, in accordance with the decision on military neutrality, to strengthen its defence capacities and to develop the defence industry, an efficient and economically sustainable defence system and a professional and efficient army. At the international level, the Republic of Serbia is committed to strengthening the role of the United Nations, the Organization for Security and Cooperation in Europe and the EU and to creating mechanisms for preserving security in the world, with equal respect for the interests of all states, peoples and ethnic groups. At the same time, it is ready to engage in the activities of the United Nations, the Organization for Security and Cooperation for Security and Cooperation in Europe, the EU Common Security and Defence Policy, the NATO Partnership for Peace program, as well as through cooperation with the Collective Security Treaty Organization (CSTO) and other international security and defence entities, to strengthen its own security, peace and stability in the region and the world.

The engagement of members of the Serbian Army and other defence forces in multinational UN and EU operations is an important element of foreign policy and a concrete contribution to the preservation of international peace and security. By participating in multinational operations, the Republic of Serbia shows that it is an active factor in preserving international peace and security, confirming its own reputation, and strengthening trust in the Serbian Army in the international environment.

When it comes to the introduced weaponry and military equipment from domestic development in the Serbian Army, in the period from 2017-2020, a total of 98 weapons and military equipment from domestic development were introduced into the armament of the Serbian Army, which is a 2.8 times higher increase compared to the period 2008-2011. Regarding the financing of the development of weapons and military equipment, there is a significant increase in approved financial funds in the period 2017-2020 compared to the previous period, which is about 8 times more than in the period 2006-2009. In 2020, the implementation of ongoing tasks will continue, with the aim of completing the development and introduction of funds in armaments and military equipment. The key combat systems that are being worked on and whose development is expected to be completed soon are: several types of guided and long-range artillery rockets as well as Multi-barrel rocket launcher - OGANJ modular, Modernized infantry vehicle BVP M80A, Modernized tank M-84 and Modernized aircraft ORAO (phase 1A).

In the period from 2016 to 2020 executed or contracted was the equipping with capital weapon systems and military equipment for about 3.5 times more than in the period 2008-2012. These procurements have improved the capabilities of the Serbian Army,

among other things: after more than 20 years, we will have a squadron of 14 MiG-29 aircraft; after more than 25 years, we have procured state-of-the-art multi-purpose helicopters; we have tripled the number of Orao-type aircraft; we have introduced weapons in all Lasta school aircrafts (14 pcs); we have realized delivery of 2 systems of combat drones; we have procured artillery and missile system for PVD "Pancir S1"; we have contracted and completed the development of the "zero" series of PASARS systems; we have contracted the procurement of a portable rocket launch system for short-range anti-aircraft operations "Mistral 3", etc.

Despite the need to invest in security infrastructure and directly strengthen the services themselves, what is especially important for the Republic of Serbia are the people. People who defend us, people who risk their lives to preserve the security of our citizens and our country. Having in mind the importance and responsibility of the work that the members of the security forces perform, on the initiative of the President of the Republic of Serbia Aleksandar Vučić, in the previous mandate, we decided to launch a housing project for members of the security services. In seven cities of Serbia (Belgrade, Novi Sad, Niš, Vranje, Kragujevac, Kraljevo and Sremska Mitrovica), within the first phase of this project, 7,802 apartments are under construction that members of the security services can buy under extremely favourable conditions. The construction of these apartments is of general interest of importance for strengthening the national security system of the Republic of Serbia and in the mandate of this Government we will continue to build new apartments on new sites, hoping to further strengthen our members of the security services and help them solve important life issues, thereby strengthening the security sector and the security of the Republic of Serbia and its citizens.

#### 2.5. The Rule of Law and the Acceleration of Reforms on our European Path

Full membership in the EU is an absolute foreign policy priority of Serbia. Serbia is connected with the EU not only by the European character of the country (in the geographical and cultural-civilizational sense), but also by a common destiny and a common future. Serbia was, is, and will be a part of the European family of peoples whose strongholds are common values and civilizational achievements.

It is important that we all understand that we strive for EU membership for the sake of our common future, for the sake of the generations to come, reforming society to become better, fairer, more accessible, richer, using the best European models and practices along the way. Serbia's goal should not be mere membership and fulfilment of technical criteria for opening negotiation chapters on that path, but building a modern state as a credible and successful EU member that uses membership in the best possible way, but also contributes to the development of a common European family of nations and resolves common European challenges. We should also understand that our goal is European Serbia. That is what we are working on and what we can directly influence. On the other hand, we cannot directly influence Serbia's membership in the EU. It is a political decision of individual member states of the EU and the Union as such, and it does not necessarily depend on our reforms or our readiness, but on the political decision of the member states and the Union.

In the previous four-year period, Serbia has opened 16 chapters in the EU accession process, 2 of which have been temporarily closed. The total number of open chapters

is 18, and in addition, negotiating positions have been prepared and submitted for 5 more negotiating chapters (Chapters 2, 14, 21, 3, 27). From 2016 to 2020, EU grants in the amount of  $\in$  916,500,000 from the Instrument for Pre-Accession Assistance (IPA) II were negotiated. At the same time, a package of proposals with a total investment value of  $\in$  1.83 billion was prepared and submitted to the European Commission for financing from IPA III funds and the Investment Framework for the Western Balkans for 2021 and 2022.

Serbia is almost completely integrated into European economic flows. The EU is our biggest partner in terms of development aid, but also trade, especially on the export side. Approximately 66.65% of total exports of goods from Serbia go to the EU. Also, most foreign direct investments, as well as some of the most significant projects, are from the EU. Our partners from the EU have helped the development of Serbia in previous years in the most direct way possible.

The Government we are proposing is pro-European. Its main task is to accelerate the process of European integration in the coming period, to show desire and sacrifice in order to significantly accelerate reforms and do everything on our part, so that by 2024 the accession negotiations between Serbia and the EU will be completed.

The new Government will continue to rapidly harmonize national regulations with the EU acquis and provide the financial means and institutional framework for their implementation. The Government will continue to encourage civil dialogue and seek to secure the support of citizens, civil society organizations, the media, academia, and the private sector for Serbia's path to the community of European countries.

The amendment of the Constitution of the Republic of Serbia in the field of justice is a necessary step in further strengthening the rule of law and further harmonization with the European acquis and European standards. In the previous term, the Government of Serbia, after extensive public consultations, which lasted just over 18 months, as well as consultations and support of the Venice Commission, sent an initiative to the Assembly to amend the Constitution so that our society has a judiciary that is independent of any and all political influences, but also much more efficient and responsible towards citizens. In this mandate, the Government of Serbia will continue to support the amendments to the Constitution in the field of justice, which will be accompanied, as before, by a transparent public debate, all in order to find the best solutions for our legal system. At the same time, in cooperation with all relevant stakeholders, we will prepare amendments to the existing laws in the field of justice, also with the support and recommendations of the Venice Commission. For the sake of a better quality of life for our citizens and greater legal security for both citizens and the economy, we need an efficient judiciary that judges within reasonable deadlines, in which citizens believe and on which they can rely. The Government cannot do this alone, but it will do its part of the job quickly and efficiently and will constantly call on and appeal to everyone else to do their part of the job in the best interest of the citizens of Serbia.

As far as the media landscape is concerned, in the mandate of the previous Government, the Strategy for the Development of the Public Information System in the Republic of Serbia for the period from 2020 to 2025 was adopted. This important work was done by the Government in partnership with media and journalists' associations,

Page **| 21** 

whose representatives made up half of the members of the Media Strategy Working Group. Transparency and inclusiveness of the whole process were recognized and supported by partners who provided us with strong support in that process - the OSCE Mission to Serbia, the EU Delegation to Serbia, the Embassy of the Kingdom of Norway and the Konrad Adenauer Foundation. In that spirit of transparency and inclusiveness, the same Working Group continued the process of drafting the Action Plan, which is almost finished, and which will be one of the first documents on the agenda of the new Government. The intention is to continue working on drafting new media laws in the same way. The implementation of the strategy and the new media laws will contribute to the overall improvement of the public information system and freedom of expression, the strengthening of media pluralism and the media market, and the strengthening of the media profession.

What is particularly important, and what we will continue to work on, is the strengthening of the Standing Working Group on the Safety of Journalists and the Commission to Investigate the Murders of Journalists. That will certainly be a priority in the work of the new Government. Only by cooperating with journalists, media and journalists' associations can we together improve the culture of dialogue and the realization of the public interest in the field of information.

The media and civil society are among the most important partners in all the reform processes that are being carried out and that await us in the coming period. That is why we made the decision to form a new department within the Government of the Republic of Serbia - the Ministry of Human and Minority Rights and Social Dialogue, which will, among other things, work on improving dialogue and cooperation with civil society organizations. One of the first tasks of this ministry will be to lay the groundwork for further work on the Strategy for Creating a Stimulating Environment for the Development of Civil Society as a comprehensive public policy document, which together with civil society will determine the directions of our further cooperation. The civil and public sectors need to achieve better cooperation. However, to develop stable relations with the civil sector, we have a lot of work to do, primarily on building mutual trust, which is a necessary factor in the development of partnership. The first and basic precondition for building trust is to ensure dialogue, and we will actively work on that in the coming period.

The Government of the Republic of Serbia will work on strengthening a democratic society in which all citizens enjoy equal rights, have equal opportunities to realize their potential and equal participation in all aspects of social, cultural, political and economic life. Accordingly, a high place among the priorities of the future Government will be an inclusive society - a society in which difference is respected and valued, and in which it actively fights discrimination and prejudice in policies and practice, a society that provides equal opportunities for all citizens in the Republic of Serbia.

We expect that the good partnership and cooperation with the national councils of national minorities will continue in the period ahead, and the Government will, through the consistent application of the legislative framework, create an environment that will ensure the equality of all its citizens.

The Constitution of the Republic of Serbia stipulates that the Republic of Serbia is a state based on social justice. Issues of social inclusion in the Republic of Serbia

represent a permanent commitment of a socially responsible state and in strengthening an inclusive society and creating equal opportunities for all, we must pay special attention to vulnerable social groups - socially excluded, poor, people with disabilities (where we will especially work on further improving the accessibility of public facilities, transport infrastructure and means of transport in public transport of passengers), people with developmental disabilities, elderly citizens, LGBTI population, Roma men and Roma women, migrants and all those who are in need of state support. In the Republic of Serbia, all its citizens must be equal and must exercise equal rights.

The Government will especially insist on the promotion of gender equality. Women make up more than half of the total population of the Republic of Serbia (51.3%). The data show that there has been an improvement in the position of women in certain areas, especially in women's representation in the legislature and the executive. When it comes to participation in decision-making positions in the political sphere, the share of women in the Government of the Republic of Serbia was 23.8%, now it is close to 50%, and among the Members of Parliament in the National Assembly 39% are women. We will try to use our political influence to achieve full and complete gender equality in every segment of our society and for Serbia to be, in this sense, one of the European leaders.

#### 2.6. Further Economic Strengthening of Serbia

Since 2014, enormous energy has been invested in reforms aimed at improving the economic environment in the Republic of Serbia to create jobs in Serbia and reduce unemployment, which was among the highest in Europe. Serbia has succeeded in this. Unemployment has dropped to a record 7.3%, and in the last three years, Serbia has twice been declared the world leader in attracting foreign direct investment, by the influential and, above all, credible Financial Times. Every year, there are more and more micro, small, and medium-sized companies in Serbia that employ an increasing number of people, and our domestic companies are slowly but surely growing and expanding. In the previous four years, the number of MSME employees increased by 141,952 employees (14.9%). Domestic investors, family companies, marked the previous year with the purchase and revitalization of former Yugoslav giants, which stumbled after poor privatizations in previous decades. I had the opportunity to see how domestic companies and their investments have initiated the development of many municipalities in Serbia, such as the ITN group, which is the new owner of Budimka from Požega or Inmold, which invested in the former Napredak furniture factory.

What we need to do now to continue and accelerate our growth and transformation towards an economy based on innovation and knowledge is to increase the overall productivity of our companies, which is currently relatively low compared to the EU average. The productivity of companies in the Republic of Serbia is growing by 1.1% per year, and to increase GDP growth by 1 percentage point, the current productivity growth should be doubled.

However, it is important to emphasize that everything we have done in the mandate of the Government since 2016 in terms of digitalization, investment in education and reform, is certainly already visible in the productivity of our economy. Our manufacturing sector, although significantly lagging in productivity compared to the EU, in 2019 still had higher productivity than, for example, Bulgaria, and slightly higher than Croatia, which is an EU member. In the services sector, our economy is significantly more productive than both Bulgaria and Croatia and is coming close to Slovenia. In the ICT sector, we are almost equal to Slovenia. That is why we must systematically continue to invest in equipment, machinery, new technology and innovation, and education - to combine science, research, and development with our economy and individual companies.

At the end of its mandate, the previous Government of Serbia adopted three strategies that pave the way for further work: the Strategy of Industrial Policy of the Republic of Serbia 2021-2030, the Strategy of Smart Specialization in the Republic of Serbia 2020-2027 and the Strategy for the Development of Artificial Intelligence in the Republic of Serbia 2020-2025. All three strategies identify similar problems and suggest activities that would best address these problems. In short, these are: strengthening human capacity; innovations to create added value and increase productivity; and stimulating entrepreneurship and start-up ecosystems, all to create a more competitive and productive economy.

The Government of the Republic of Serbia will, in accordance with these strategies, focus on dynamic, smart, sustainable, and inclusive growth. When we talk about "sustainable" growth, we mean, first of all, growth that takes into account the resource availability and efficiency of resource use (thus necessarily referring to green transformation and environmental protection), and when we talk about "inclusive" growth, first and foremost, we mean society or social cohesion and the creation of equal opportunities for all.

#### 2.6.1. Strengthening Human Capacity

One of the key priorities of the Government of Serbia will remain education. Much has been done in the previous term, especially in the field of primary and secondary education, and in the term of the new Government these reforms must continue, to complete the digitalization of schools, additional energy and resources should be dedicated to preschool education, quality and efficiency of higher education and the position of employees in educational institutions.

At the beginning of 2016, the salary of teachers amounted to 44 thousand dinars, while kindergarten teacher's salary was 43 thousand dinars. During the mandate, we managed to provide funds for salary increases by a total of 39%, so that, at this moment, the basic salary of teachers is at least 62 thousand dinars, while in kindergartens we do not have teachers who have a salary less than 60 thousand dinars. During this period, we managed to create conditions for further continuous increase in salaries of employees in educational institutions. The new Government will also work on the better position of employees in educational institutions and rewarding excellence through pay grades.

From April 2021, Serbia will for the first time have a Unified Education Information System (JISP). For the first time in Serbia, we will have a clear overview of our entire education system, which will enable us to make informed decisions about strategic investments in order for the education system to adequately respond to the needs of modern society and economy. JISP will help us know exactly how much money we as

a state have invested in the formal education of each of our citizens and how to improve the effects of those investments so that both individuals and our society get more out of that investment.

In the coming period, the Government will support the development of the preschool education system by increasing investments in kindergartens, equipping preschool institutions, and supporting professional staff. We will continue to introduce a new program concept of preschool education, which we have introduced in September 2019, and it will be introduced in all preschool institutions by September 2022.

Dual education is a necessary condition for achieving quality, both in terms of acquiring knowledge and skills. This school year (2020/2021) we enrolled the third generation of secondary school students in dual education programs. Since the beginning of the implementation of the dual model of education, 120 secondary vocational schools have been included in this system and a total of 47 dual educational profiles with qualification standards have been developed. Over 10,000 students and 880 companies are included in the dual education system. A study conducted at secondary vocational schools that participated in piloting dual education programs showed that from the generation of students who completed these programs in 2018, 70% of students were employed within the first six months after completing this program. We will continue to expand the scope of dual education in secondary schools, and in this mandate, we must focus especially on the introduction of dual education in faculties, for which the legal basis was set in 2019. This will enable us to have better connections between the economy and the faculties and to launch much more sophisticated investments in the Republic of Serbia.

The Government must also launch the opening of 12 regional training centres that will allow people across Serbia to gain additional skills, find good jobs or open their own businesses. Over € 25 million will be invested in the infrastructure and state-of-the-art equipment of future regional training centres in Subotica, Kula, Novi Sad, Zrenjanin, Pančevo, Belgrade, Šabac, Valjevo, Vrnjačka Banja, Požega, Zaječar and Vlasotince in various areas important for further development of the local economy (construction and geodesy, mechanical and metal processing, electrical engineering, healthcare, tourism and catering, traffic, etc.).

Huge potential lies in our diaspora as well. Due to the economic crisis caused by the coronavirus, many of our citizens who live and work abroad have already expressed interest in returning to Serbia. The Government must work hard to create the conditions for their return.

In the previous mandate, we simplified the procedure for recognizing foreign diplomas and made it clearer and more transparent. We also changed the Decree on customs privileges so that people from the diaspora could return to Serbia without paying customs duties on their own property. We have introduced a tax incentive for the employment of returnees, and at the initiative of our organizations from the diaspora, we have launched a " Point of Return" which aims to provide information to our diaspora in all ways in which it can be included in Serbian society. "Point of Return" is currently conducting a large-scale research "Diaspora Mapping", which will give us a more accurate picture of the needs of our people abroad, and guidelines for returnees are being prepared that will facilitate return to Serbia for those who decide to do so. "Point of Return" is already working on expanding its program so that in the future it will be not only a partner of the diaspora when returning, but also a partner in finding employment, business, investment and other opportunities in Serbia.

#### 2.6.2. Innovations Aimed at Creating Added Value

The Government of Serbia continues to work on strengthening our innovation capacities to slowly move to production and activities with higher added value and thus increase our overall competitiveness. During the mandate of the previous Government, between 2016 and 2020, a lot was done in this field, and we saw the results immediately. The export of ICT services almost doubled between 2016 and 2019, and at the end of last year it amounted to  $\in$  1.42 billion (surpassed the export of agricultural products). Surplus in 2019 in ICT services exchange is the largest in the exchange of any goods or services from Serbia, and the profitability index of the ICT sector per employee is 6 times higher than the average profitability index for our entire economy. The share of this sector in our GDP reached almost 6%, which means that it is higher than the construction sector or catering and is slowly reaching agriculture.

During the mandate of the previous Government, we completed important investments in infrastructure that provides support for scientific research, know-how and technology transfer, and innovation development. Today, Serbia has four science and technology parks - in Belgrade, Novi Sad, Niš and Čačak, and the Faculty of Technical Sciences (FTN) from Novi Sad has a completely new building, to increase its capacities. We will soon finish another building for the Faculty of Electronics in Niš, and during the next year an additional building of the Faculty of Organizational Sciences (FON) in Belgrade. In the mandate of this Government, we must start the construction of the Biosens Institute in Novi Sad, an additional building of the Faculty of Electrical Engineering (ETF) in Belgrade, complete the construction of the Research and Development Institute in Kragujevac and provide support to private initiatives for opening research centres in Serbia.

We must also work on improving the telecommunications infrastructure in the Republic of Serbia to provide everyone with equal opportunities for development, education and scientific activity. Building "digital" highways - bringing fast and high guality Internet to every village and settlement in Serbia and to every household is a priority. We have started working on this (we have issued an invitation to submit tenders for 60 settlements), and the new Government must continue and complete this work. The first phase of the "Rural Internet" project covered 600 settlements across the country with about 90,000 households. A public call for submitting tenders for the selection of operators for the first 60 settlements was issued in September this year, and we will issue other calls by the end of the year. Our vision is that in 2025, there will no longer be a household in Serbia that is not covered by broadband Internet. In the meantime, we will provide the conditions and financing so that from the middle of next year, broadband Internet, not of large, but again of sufficient speeds, will become part of the package of universal services. This means that every citizen, wherever he lives or works, and even in the most remote territory in the Republic of Serbia, gets the right to access the Internet, same as the right to access electricity and water.

We must continue to strengthen our competitiveness in the field of intellectual property and patents. In the previous period, a whole package of amendments to the laws related to intellectual property was adopted, as well as a set of amendments to important tax laws to introduce incentives for research and development. We have also introduced incentives for innovative start-ups, which are now exempt from taxes and payroll contributions in the first three years of operation. It is necessary to further promote these improvements to stimulate the opening of new research and development centres in Serbia. It is also necessary to accompany companies engaged in research and development, register patents, and engage in innovation, and to analyse what additional support is needed for their further development.

Finally, we will expand the current system of incentives to attract direct investment with an incentive to invest in equipment, technology, and know-how to significantly increase productivity. We must also, through relevant institutions, such as the Development Fund and the Development Agency of Serbia (RAS), stimulate our companies to buy modern equipment and technology and continuously increase the productivity of their production and logistics to raise their competitiveness, both in domestic and foreign markets. We will also consider the possibility of encouraging our companies to make greater investments in modernization through a tax credit for the purchase of machinery and equipment, but also intangible assets such as software that will improve their business.

#### 2.6.3. Stimulation of Entrepreneurship and Start-Up Ecosystems

In order to stimulate entrepreneurship, in 2018 we introduced special benefits for young people who finished school in the previous 12 months if they want to start their own company, as well as for the elderly who have been registered at the National Job Centre (NSZ) for more than 6 months and cannot find a job. Thanks to these facilities, a total of over 1,100 business entities have been registered so far, including over 1,000 entrepreneurs. Of the total number, 20.9% of founders are under the age of 30, and 26.9% are founders between the ages of 31 and 40. The fact that less than 10% of economic entities have been shut down since their establishment speaks in favour of the fact that young people, who otherwise have a hard time deciding to establish their own companies, do not shut down their companies after their incorporation.

According to the Global Competitiveness Index, the Republic of Serbia is extremely poorly ranked in the field of attitude towards entrepreneurial risk, i.e. the willingness to take risks and start own businesses. In this segment, we rank 107<sup>th</sup> out of 141 countries. We need promotion and support for the development of entrepreneurial spirit.

In the following period, it is planned to analyse the current implementation of the Law on Youth and prepare amendments to the Law. A revision of the National Youth Strategy is also planned, and one of the priorities in the work will be aimed at improving youth entrepreneurship and simplifying the business operations of young entrepreneurs.

During the mandate of the previous Government, the state for the first time began to systematically support the development of start-up companies. Since then, many things have been done for the development of start-ups in Serbia, from the constant increase in the budget of the Innovation Fund, through easier financing of start-ups through a three-year exemption of start-ups from paying taxes and contributions on the

founders' salaries and 30% tax credit for companies investing in start-ups, to enable the shareholding of employees in the equity through the right to own share. A legal basis for the operation of alternative investment funds (venture capital funds) in Serbia has also been created.

In the coming period, we will launch new activities with the goal that from 2021 to 2025, our start-up ecosystem will have an accelerated growth of 20% p.a., and thus, with about 300 start-ups, we will reach more than 700 start-ups. To encourage these investments, the state will invest about  $\in$  6-8 million per year in this period, and to achieve the set goals we must focus on three key goals: (1) raising the number of start-ups by financing ideas at the earliest stage through grants to the Innovation Fund activity; (2) increasing the financing of start-ups at an early stage of development by providing additional funds for investments by business angels and venture capital funds, which the state will support through various co-financing mechanisms through the Innovation Fund; and (3) increasing the quality of start-ups through accelerator programs.

We will put a special focus on sectors where there is already a strong base, and which are recognized globally. One of the examples is the adoption of the incentive, development and globally competitive Law on Digital Property, the adoption of which we expect by the end of 2020. With its adoption, we expect even faster growth of domestic start-ups in the field of "blockchain" technology, as well as easier financing of innovative ideas. In the field of tax incentives, and in order to support the competitiveness of the IT sector in the global market and ensure further growth after the expiration of temporary incentives for qualified new employees, we will introduce incentives for activities that generate greater added value.

#### 2.6.4. The Connection Between Science and Economy

If we look at our scientific research activity, it is interesting that it is highly positioned on international rankings, which unequivocally speaks of the potential that the country has in this area and our international competitiveness and influence. On the other hand, the results of scientific research activities of the Republic of Serbia that may be important for the economy are at a low level. According to the report of the National Council for Scientific and Technological Development (2019), 97.7% of the total results of scientific research work in 2017 were published scientific papers, while patents and technical solutions accounted for only 2.3%. In the field of electrical engineering, telecommunications and information technologies, the largest number of technical solutions was achieved, while the largest number of patents was realized in the fields of biotechnology and agriculture.

It is also interesting to look at the structure of employees in the research and development sector. The largest number of employees is employed in the fields of engineering and natural sciences, which together make up over 50% of the total number of researchers. Over 91% of researchers come from the public sector (higher education institutions and institutes), while only 8.2% of researchers work in the business sector. According to data from 2018, only 3.7% of PhDs work in the business sector. It is clear to us how much untapped and huge potential we would have if we manage to connect our science and researchers with our economy.

With the adoption of the Law on Science and Research (July 2019) and the Law on the Science Fund of the Republic of Serbia (December 2018), as well as the enormous increase in the budget of the Innovation Fund, the fund's budget in 2016 was  $\in$  5.16 million, and in 2020  $\in$  36.66 million), key steps have been taken in the reform of the system of organization and financing of science in Serbia. The new Law on Science and Research has brought a transition from a project to a combined model of science funding, which provides greater security for scientists who have so far been unable to be permanently employed in their institutions. In addition, calls are open for the inclusion of young researchers, who can now receive a salary for their research work during their doctoral studies. In the next year, we will complete the process of digitalization of science on the model of JISP, in which we will have an up-to-date and accurate register of researchers, scientific research institutions and a register of equipment. The entire process of election to scientific titles and the work of parent committees will be electronic to ensure transparency.

Despite the fact that we increased the budgets for science and research and development during the mandate of the previous Government and formed new, important institutions, such as the Science Fund, investments in research and development in the Republic of Serbia are much lower than in EU countries and standards provided for by the Lisbon Convention. The huge problem is that the share of the private sector in investments in research and development are extremely low. The previous Government introduced new forms of fiscal incentives to invest in research and development for companies, but the results of this initiative need to be monitored continuously.

In addition, expectations in the coming years are that the Science Fund will encourage better, closer cooperation between Serbian industry and Serbian science by cofinancing joint projects, because at this time the contribution of the scientific research community to Serbian industry is minimal. This is unsustainable if we want a strong, competitive economy.

#### 3. OTHER PRIORITIES OF THE GOVERNMENT OF THE REPUBLIC OF SERBIA

#### 3.1. Environmental Protection and Green Transformation

Thanks to everything that has been done since 2014, the Republic of Serbia has, without any doubt, reached the stage of development today, when we must necessarily turn to the topic of the environment and the ecological sustainability of our development. At a time when unemployment is low, economic prospects are good, and wages, although still low, are still on the rise, the quality of the environment is becoming one of the burning issues when it comes to the general quality of life of citizens.

In addition, our economic, energy and investment transition towards the "green agenda" is a necessity that must accompany our further growth because there is no society and economy based on innovation, knowledge, added value and greater competitiveness, without a strong and clear focus on environmental protection, resource sustainability and the fight against climate change.

This will be a great challenge for us - such investments are extremely expensive, they require many years or decades of commitment and a systematic approach to project planning and implementation - but today we must set this transformation as one of our further priorities.

In that sense, increasing the standards of environmental protection (especially in the sectors of wastewater treatment and solid waste) and protection of the health of citizens (primarily within the framework of improving air quality) will be among the priorities of this Government.

In the field of ecological infrastructure, the priority of the Government of the Republic of Serbia will be investments in the development of water resources management. This issue implies the development of line infrastructure, primarily water supply and sewerage network, then drinking and wastewater treatment plants, both communal and industrial. On average, 65% of citizens are connected to the sewerage network; in different parts of Serbia the percentage of distribution is different, from 40% in some parts of central Serbia to over 70% in urban areas and some parts of Vojvodina, and losses in the water supply network average 35% for the whole of Serbia, whereby in a large number of local government units asbestos water pipes are still present today. This practically means that out of almost 670,000,000 cubic metres of drinking water affected annually, our losses amount to over 230 million cubic metres. In cooperation with partners from European financial institutions and the already agreed financial framework of  $\in$  200 million, and the planned  $\in$  500 million, our intention is to help up to 60 local Governments to solve these problems.

Wastewater treatment is one of the biggest tasks that our generation and Serbian society as a whole are facing. During Yugoslavia, at the time of our greatest infrastructural development, it is estimated that a total of 44 wastewater treatment plants were built. Today, according to experts, the Republic of Serbia should build about 320 in a period of 15 years. Of the total estimated  $\in$  10 billion of investments needed to protect the environment - half of all investments are in this sector.

The Government used the previous period to solve all the problematic projects in this area that were left to us from the period before 2012. Today, the line of sludge and the city collector are being completed in Leskovac, for which we have set aside almost a billion dinars and thus provided nearly  $\in$  8 million from donor funds for the construction of a sewerage network for over 20 settlements; we co-financed the construction of the sewerage network in the municipality of Kula, with a total value of 600 million dinars and, together with Vrbas and Kula, enabled the completion of the regional treatment plant and the planning of funds for the rehabilitation and remediation of the Grand Bačka Canal; for the water factory Smederevska Palanka-Velika Plana, we solved the supply source and built the line infrastructure and modernized the water supply system Ćelije, and completed the works and put into operation a modern wastewater treatment plant in Kruševac. The sludge line in Šabac will be built and put into operation during the mandate of this Government.

All this allows us in the coming period to contract and start with the construction of wastewater treatment plants, and only from EU funds worth over € 100 million, for Brus and Blace, which will greatly contribute to the quality of drinking water for the city of Kruševac and the entire region, then the city of Kraljevo, the city of Niš, which

represents, after Belgrade, the largest investment in wastewater treatment, then Čačak and Kragujevac. In the mandate of this Government, the city of Belgrade will work on the implementation of the project for the construction of our first wastewater treatment plant, which we are implementing with our partners from China.

These three components alone, line infrastructure and wastewater treatment plants together amount to over  $\in$  1 billion and represent the implementation of the vision of the development of our society and living standard, contained in the "Serbia 2025" program.

Waste management is the second most important priority in this area. It is unacceptable that the Republic of Serbia has over 3,500 landfills, city and municipal unsanitary landfills that pollute and endanger the quality of groundwater, soil, and the environment. Construction of regional sanitary landfills must be a priority of our work, with all the necessary and accompanying modern infrastructure, primarily the development of primary waste separation in households, collection, separation and transport on recycling islands, transfer stations and separation lines, maximum utilization of waste through recycling and obtaining new value in the form of energy or other valuable products, and only then, and only as a last resort, permanent disposal at a sanitary landfill.

So far, we have completed the construction and equipping of the regional waste management system Subotica, then financing and completion of the regional system Srem-Mačva, started the construction of the largest waste management system in Serbia, Vinča landfill in Belgrade, worth € 370 million, which, technologically speaking, will be the most modern system.

In the coming period, we will work on equipping regional waste management systems for four regions and 17 local governments; we will complete the project of expanding the regional sanitary landfill Duboko in Užice and thus open the possibility of the final solution of the non-sanitary landfill Stanjevina in Prijepolje, through the regional connection of Nova Varoš, Priboj, Prijepolje and Sjenica; enable further development and implementation of projects of regional waste management systems Kalenić, Kruševac, Kraljevo, Niš and Novi Sad. Our task is to systematically, strategically, and responsibly, enable our fellow citizens to ensure that the waste they produce is efficiently, environmentally, and simply collected, treated, and used to obtain new value.

In terms of air quality and protection, in addition to expanding the air monitoring network and timely and transparent notification of our citizens on air quality, this Government's priority will be the adoption and implementation of a new strategic and legislative framework, as well as investments in heating system modernization by changing boilers on burning alternative fuels, incentives for households to connect to district heating systems, and reduction of traffic pollution through specific financial instruments and changes in regulations, but also the implementation of obligations of all stakeholders in the system - from the polluters, local governments and national institutions. Regarding the legal framework for environmental protection, we are expected to work on the adoption, amendments and supplements to the laws governing this area to further harmonize the national legal framework with the EU regulations in effect.

#### 3.1.1. Energy Transformation and Sustainability

Regarding the energy sector, the planned further work on its improvement, in terms of capacity expansion, technological development and modernization, will contribute to a secure and stable energy supply, reliable and secure operation of the energy system, energy system resilience and raising environmental standards.

Implementation of planned investments in energy infrastructure, especially in the sectors of electricity, natural gas and energy efficiency, which are important for secure energy supply in the most economical way, raising air quality and reducing emissions and greenhouse effects, are globally set goals, therefore, they are of particular importance for our country as well. Our goal is to transform the Serbian energy system into a modern system with a leading position in the region.

Due to the above, we will continue with: implementation of projects for modernization of electricity infrastructure in terms of generation, transmission and distribution capacities (continuation of the project "Trans-Balkan Corridor"); we will complete the construction of the main gas pipeline from the border with Bulgaria to the border with Hungary (the so-called "Turkish Stream"); we will start the construction of the gas interconnection between Serbia and Bulgaria, which will enable the diversification of directions and sources of natural gas supply; we will work on expanding the capacity of the underground gas storage in Banatski Dvor, from the existing 450 to 750 million cubic metres in the first phase, and then up to 1 billion cubic metres in the following phases, as well as finding potentially suitable sites for new gas storage.

Within the program "Serbia 2025", gasification projects of parts of Serbia were also recognized, the implementation of which will enable the supply of natural gas to households and industrial consumers, reduction of air pollution and the possibility for additional production capacities and plants.

We will work continuously on maintaining and raising the awareness of citizens regarding the importance of energy saving, especially through energy efficient construction and reducing losses from family households to complex industrial facilities.

In addition to energy passports of new facilities under construction, we will work on their issuance for existing facilities built without adequate and modern insulation by providing favourable credit lines.

As part of the "Green Agenda", we will try to continuously increase the share of renewable energy sources in the production of electricity and heat, taking into account the price of energy for end users. We will also make even greater efforts in the implementation of projects and environmental protection measures in energy capacities. We have started the construction of a gas desulphurization plant at the Nikola Tesla A Thermal Power Plant, and we will continue with the implementation of

other similar projects in order to make the entire energy system environmentally sustainable.

In accordance with the growth of society's standards, the pace of replacing "dirty" technologies with clean ones will be regulated.

#### 3.1.2. Mining

The mining sector will remain an important element of Serbia's economic development, given its current contribution and additional potential for an even more significant impact on national and regional development. The opening of new and expansion of existing mines can contribute to long-term sustainable economic growth. A special focus will be on the implementation of the "Jadar" project, which represents a great opportunity for our country, bearing in mind that there is a deposit of the newly discovered mineral lithium borate in Loznica, the so-called jadarite. Our strategic partner Rio Tinto has so far invested more than \$ 250 million and announced the investment of another \$ 200 million for the further development of the "Jadar" project, which is in the last phase of preparation. Having in mind the volume of investment and the potential for creating new jobs, this project is of priority importance not only for economic development in the Loznica region, but also for the whole of Serbia. The project has the potential to position Serbia as a significant supplier to the world market to produce lithium batteries for electric vehicles and energy storage. Also, the "Jadar" project will provide borates that are used in the production of detergents, cosmetics, and other consumer products. Our goal is, together with partners from Rio Tinto, to form a strategic partnership with a third company that would start the production of increasingly present hybrid and electric cars and/or a company that will start the production of electric batteries in Serbia. In this way, we would be able to further improve and raise the overall Serbian economy and take a leading position in the region in terms of low-carbon development technologies.

We will support the ecological sustainability by using ash in the production of cement, but also in the production of aggregates for the needs of road construction and other facilities. By industrial processing of ash and with careful disposal and return of overburden, we will humus the exploited areas and make them fertile, i.e. reduce the environmental consequences to a minimum, especially open pit mines, i.e. reduce the amount of industrial occupation of fertile fields to the maximum.

#### 3.2. Smart, Resilient and Sustainable Agriculture

Agriculture is a sector with a significant share in employment and in the GDP of Serbia. Serbia is also a traditionally agricultural country, with know-how and innovation that, with the adequate support of the Government of Serbia that we provided in the previous mandate, scientific and educational institutions, proved to be ready for the 21<sup>st</sup> century. One of the best examples of this is the Biosens Institute, which in competition with prestigious European universities and scientific institutes won and received from the European Commission the status of the Centre of Excellence for advanced technologists in the field of sustainable agriculture. This is also the only European confirmation of the quality and competitiveness of our science and an important support in the development of our country.

The importance of agriculture and self-sustainability has been demonstrated more than ever during the COVID crisis. Serbia was self-sustaining and we were one of the few countries that never had shortages of food and basic foodstuffs. Quite the opposite - despite the crisis, we were able to export our raw materials and products.

During the mandate of the previous Government, investments in agriculture were systemic and strategic, aimed at making our agriculture more resistant to climate change, more efficient, more productive, and more sustainable. We have invested and are investing in irrigation systems, field electrification, automatic hail protection, subsidies for mechanization overhaul and the purchase of new equipment, we have set out to stimulate the improvement of the quality of planting material and the production process.

From the loan of the Abu Dhabi Development Fund to finance the development of irrigation systems, in 2017, 2018, 2019 and the first half of 2020, works were carried out on enhanced maintenance of canals in Vojvodina - dual-purpose systems Rečej, Međa, Itebej, Jankov most I and II, on the construction of pumping stations Kaloča, Jegrička and Pesir and works on the subsystem Nova Crnja - Žitište and Tisa - Palić, Kikinda - CS Mokrinska II, Mali Iđoš, as well as on the construction of the section of the canal Kula - Mali Iđoš, from km 10 + 310 to km 15 + 300 on the subsystem Mali Iđoš and hydromelioration system in the area of Šabac. In order to expand the activities on the implementation of the project Development of Irrigation Systems Phase I, the implementation of additional 57,248 ha of agricultural land, as well as the construction of hydromelioration systems in Čačak, Topola, Paraćin and Pančevo marsh. The value of new projects in 2020 is almost € 70 million.

In the previous two years, the first fully automated hail protection systems in Serbia were installed. After the completion of the first pilot project of installing automatic antihail systems in the Valjevo radar centre (99 stations), which was the most endangered area in the previous period, the equipping of RC Fruška Gora, RC Bajša and Samoš, RC Užice and Bukulja started. A line of hail defence has also been agreed, which will defend our arable land from the Republika Srpska. For these systems, a total of about € 6 million has been spent or is in progress, which will complete the work on software and hardware equipment at 3 radar centres, installation of telecommunications equipment at 17 hubs and equipment and automatic launchers at 183 locations.

The project of electrification of irrigation fields, worth over 80 million dinars, on the territory of Leskovac, Žitorađa and Varvarin, was successfully realized. Irrigation of land through facilities that run on electricity, and not on diesel fuel, significantly reduces costs and increases the safety of producers who, through electrification, even in times of drought, have water, which also improves the quality of the product. In the next period, the construction of the missing electric power facilities is planned for the purpose of electrification of the irrigation fields in the area of 10,000 ha on the territory of Mačva. The estimated value of the works on the construction of the missing electric power facilities is 132 million dinars.

At the end of 2017, we received IPARD accreditation and announced the first competitions for tractors, machinery and equipment. The amount of return is from 50%

to 70%. In the coming period, the opening and modernization of processing capacities will be further stimulated in order to increase the value of exports and stimulate investments in the food industry of Serbia, so that we can switch from exporters of raw materials to exporters of finished products. In this regard, primary producers and processors have access to a range of support measures for the procurement of new equipment, both from the national budget and IPARD, where, in addition to existing investments in farm property and investments in processing and marketing of agricultural products and fishery products, we have accredited also investments in rural tourism (the first public call for this measure is currently underway). We also included the poultry and grape and wine production sectors in IPARD. In particular, we will work to speed up the process of approving and contracting support and the realization of planned investments.

All systemic and strategic investments in agriculture in previous years, as in the case of innovation and the IT sector, quickly produced obvious results. After a bad agricultural year in 2017, the Republic of Serbia recorded three consecutive excellent years (2018, 2019 and 2020) - in each of these years, production was about 10% above the ten-year average. This shows that if we continue to invest strategically and systematically, we can quickly see results through greater productivity and competitiveness of our entire economy.

This Government needs to work harder on the relationship between agriculture and the food industry. For this reason, in the Law on Ministries, we proposed that the food industry move from the economic sector to the agricultural sector. The Republic of Serbia is currently among the countries that give the lowest value to agricultural production through the further processing chain. We have a predominant export of raw materials and products with a low degree of processing, which represents lost added value in the food industry sector. We also have a small share of higher processing products in exports, and a large share of imported products on the market. For example, raspberries are exported frozen, in packages of 5 to 10 kg, and not in retail finished packaging or processed into functional food products with added value. The case is similar with other agricultural products, for example, soybeans, where, although we have significant amounts of non-GMO soybeans, its potential in human nutrition, such as processing into tofu and similar products, is still not sufficiently used.

As a huge potential in previous years, we especially profiled wineries and viticulture. This is indicated by a significant increase in the number of registered wine producers: in 2014, 240 wineries were registered, and today there are 406. Also, there is a noticeable interest in increasing the area under vineyards, as well as improving the quality of Serbian wines and recognizability of our wines on domestic and international markets. The Government must as soon as possible adopt the Strategy for the Development of Viticulture and Wineries in the Republic of Serbia until 2030 and propose a new Law on Wine in order to better regulate this important area and release all its potential.

And, again: one of the greatest chances of the Republic of Serbia in the further transition to an economy based on know-how and innovation is to make a step forward in the food production chain towards products of a higher degree of finalization and to transform from an exporter of agricultural products to an exporter of food and finished products on the basis of agricultural raw materials.

#### 3.3. Artificial Intelligence (AI)

Studies indicate that in the next 15 years, AI could double the annual rates of global economic growth, by improving labour productivity by as much as 40%, creating "smart machines" that will be able to learn and solve problems almost independently, and spreading innovation and innovative solutions in combination with other sectors of the economy.

One of the key strategies for further growth and development of the Republic of Serbia is the Strategy for the Development of Artificial Intelligence in the Republic of Serbia for the period 2020-2025. According to the AI Readiness Index, which provides comparatively similar indicators for 194 countries, Serbia has jumped 12 places this year compared to 2019, and we are now ranked 46<sup>th</sup> out of 194 ranked countries. We are the leaders in the Balkan region, which includes Croatia, and compared to 2019, we have overtaken Greece, Bulgaria, and Romania. Hungary and Slovenia are ahead of us. This shows the potential we have for further growth and development and the use of AI for our overall growth and transformation. Our goal is to use trends in the development of artificial intelligence to stimulate economic growth, increased productivity and competitiveness of our economy, improve public services, more efficient public administration, improve scientific staff and develop skills for future jobs.

The implementation of the Strategy has already commenced with the allocation of funds from the Science Fund for 12 AI projects. The competition for the development of new AI master's programs at the faculties is underway, and next year we will have the first generation of students in this field. In addition to this, there are several important things that the Government must do to lay the groundwork for our further systemic progress in the field of AI development. First of all, for the development and testing of AI-based solutions it is necessary to provide an appropriate highperformance computer infrastructure. Over the next year, the Government will establish an AI platform, including state-of-the-art high-performance computer systems, along with a software platform, and make this infrastructure available to academia, science and technology parks, public administration and the economy. In order to guickly develop AI, the Government of the Republic of Serbia will establish the AI Development Institute, which will deal with research and application of AI in various fields, with a pronounced multidisciplinary approach, in cooperation with other scientific research institutions, economy and public sector. When we do these things and fully implement the Strategy for the Development of Artificial Intelligence, the Republic of Serbia will be positioned as the leader of the region for AI development.

#### 3.4. Creativity and culture

In the last few years, creativity has become an increasingly important component of the Serbian economy and one of the key elements for access to the creative economy and society. The number of companies in this area shows growing trends in the period from 2014 to 2018 compared to the rest of the Serbian economy. Impressive results of the development of creative industries in Serbia in the last two years - a share of as much as 5% in GDP, an increase in the number of companies by 25% and total exports that increased by incredible 46.7% in just two years - are the best proof that the previous Government was right when, at the beginning of its mandate, it determined

the digitalization and development of creative industries as a strategic goal and achievable vision.

Within this sector, our greatest potential lies in two sub-areas: (1) creative audio-visual production and (2) video game production and interactive media.

Owing to the incentive measures of the Government of Serbia for investors in audiovisual production, the volume of foreign business that flows into our country in the production of film, TV programs and commercials has tripled in the period from 2016 to 2018, with a strong growth trend. At the same time, there was a significant increase in the domestic market. According to the data for 2018, the entire sector participates in the total employment with about 0.11%, but with an average annual employment growth rate of as much as 11.3% in the period from 2016 to 2018. The academic sector has also recognized the need for this sector: in the previous four years, 12 curriculums important for the creative industries have been accredited.

In the field of development of the video game industry, we are already extremely well profiled in the global market. In addition to having strong domestic companies, in recent years there were large investments of foreign leaders in this field in our country. All these foreign economic giants not only bought domestic companies and hired our experts, but also continued to do business, employ many our people, paid taxes, registered intellectual property and exported their highly competitive, "Made in Serbia", products in the global market.

By developing creative industries in Serbia and by promoting our talents, scientists, artists, and innovators abroad - directly and in the best possible way, we are changing the established and often negative image of Serbia in the world. That is why we have established the national platform "Serbia Creates" - as a unified national brand and umbrella body that supports the development of creativity in Serbia and strong promotion abroad. In the context of cultural diplomacy, we have already created preconditions for the establishment and sustainable operation of a network of Serbian creative centres around the world, which will aim to raise awareness and visibility of our cultural identity and continuous development of a positive image of Serbia. We are working extensively on the Creative Embassy in London, which will open in late 2021 as a hub for presenting our creative achievements and networking with the British and global arts, science, IT and business communities. The plan is to revitalize and better connect the existing and new Serbian cultural centres throughout Europe and the world. The fact that Serbia will lead a week dedicated to creative industries and a week dedicated to innovations at the World Exhibition in Dubai in 2021, at the invitation of the hosts, indicates that we have already established ourselves in that domain in the world.

The potential of creative industries should by no means be perceived solely through the impact on economic development. Investments in creative industries are also investments in a better quality of life and strengthening of local and national identity.

In the next mandate, we will remain focused on the education of young talents in art and creative activities in general. We are working on the construction of new buildings and expanding the capacity of art faculties - the Faculty of Fine Arts, the Faculty of Applied Arts, and the Faculty of Music Arts. We will also work on the improvement of
vocational art secondary schools, the strengthening of art secondary school education and the opening of additional specialized art departments, such as the four that we started in this academic year.

Without culture and creativity, there is no strong state. That is why the development of artistic, cultural, and creative activities is still in the focus of the new Government. We will continue to invest in the preservation of cultural and archaeological heritage and the facilitation of working conditions with a focus on individuals - independent and freelance artists whose status we will finally, after several decades, resolve.

We will also strengthen cultural institutions to promote their sustainability, responsible management and public-private partnerships, as well as mutual cooperation, networking and optimization of resources. We will work on improving the program of financial support to the non-institutional cultural scene and projects, to make that support more transparent, more functional and to encourage sustainable and responsible development. We will encourage the conversion of cultural and industrial heritage buildings by opening new cultural centres and creative spaces for the creation and display or performance of works of art. One of such examples will be the transformation of the Ložionica in Savska Street in Belgrade into a modern creative space with exhibition and stage capacities that we do not have enough of. One of the most important things we have to do is to fully support and successfully implement "Novi Sad - European Capital of Culture" together with Novi Sad in 2022, and then, following the example of that program, to launch a domestic project of the National Capital of Creativity. The goal of such a project is the decentralization of cultural events and the democratization of culture, the development of contemporary artistic practices and the promotion of the country's cultural heritage, but also the increase of town budget investments in art and culture.

During the previous mandate, we opened the National Museum and the Museum of Contemporary Art in Belgrade, the Bora Stanković Theatre in Vranje and the renovated Matica Srpska Gallery in Novi Sad. By the end of 2021, we must complete the National Theatre in Subotica and start a series of new projects, and above all the construction of a new philharmonic building. With the Development Bank of the Council of Europe we have agreed on a loan in the amount of  $\in$  20 million for the improvement of infrastructure projects in the field of culture.

#### 3.5. Tourism

In the past four years, tourism has shown that it has significant potential to contribute to the dynamic growth and development of Serbia. Average growth rates reached 12.95% in arrivals and 13.55% in overnight stays of foreign guests. The total growth in the number of tourist nights in Serbia last year was at the level of 1.8 million and 6.1 million overnight stays were realized. Unfortunately, this year has been disastrous for the tourism sector worldwide. Nevertheless, this crisis has shown us the full and extremely strong potential of the domestic tourist offer, which has been used to a great extent by our citizens in recent months.

During the mandate of the previous Government, we developed the eTourist system, which is the database of complete accommodation capacities in Serbia. For the first time, we have a real record of capacities and their occupancy, and we will be able to

monitor statistics in tourism in a significantly more efficient way and have an insight in the real contribution of this sector to our economy. By doing so, we are also preventing the shadow economy that has flourished in this sector for decades and has been unfair competition to those who have respected all the laws and paid their obligations. This system will enable serious reform of the tourism economy, incomparably better planning, as well as consideration of the results, the greatest potentials, the greatest weaknesses, and target markets.

By introducing special incentives for private investments in accommodation facilities in spas during the previous term, we have enabled the rapid development of our spas, such as Vrnjačka Banja and Vrdnik. We will certainly continue in that direction.

The "Vacation Vouchers in Serbia" system came to life in 2015 and enabled the stimulation of the development of domestic tourism and the increase in the number of domestic tourists at an average annual growth rate of 7.8%. From year to year, the number of vouchers increased and contributed to reversing the negative trend in the number of domestic tourists. It is also positive that the number of caterers who apply to participate in this offer is increasing. In 2020 alone, 160,000 vouchers were distributed in January and February, and as a measure to support domestic tourism during the COVID crisis, the Government introduced an additional 400,000 vouchers for vacationing in Serbia.

We need to further improve tourist signalization, strengthen the already extremely vibrant wine tourism sector, and better promote our health tourism. Support for domestic tourism through the issuance of vouchers will continue, and with a redefined system and terms and conditions, we believe that we will be able to further stimulate a larger number of our citizens to stay in Serbia in the coming years.

#### 3.6. Sports

Record investments in sports in the previous period have resulted in record successes recorded by representative sports in previous years. All awards for medals won, 570 national awards and about 400 scholarships are paid annually without a day's delay. In the previous five years, we have won by 265% more medals than in the past for a period of 14 years. In the next period, we will continue with the planned and systemic financing of sports. In addition to the fact that the results in top sports represent pride and joy for every country, sports activities affect the health of the entire nation, the development of moral values, competitive spirit, and solidarity.

In the coming period, Serbia will, for the first time, host the World Wrestling Championships in December 2020, the European Women's Volleyball Championships in 2021, the European University Games in 2021, the World Indoor Athletics Championships in 2022 and the World Rowing Championships in 2023, and it is expected to host many other European and world championships for which a candidacy has been submitted.

An unavoidable link in the promotion of an active lifestyle, the development of sports and top sports results is school sports. We have included over 180,000 primary and secondary school students in the school sports system, which has doubled the number of children in the implementation of school sports programs. We will continue to develop school sports, because the goal is to encourage children to engage in physical exercise through fun and play. We will also work on giving more attention to promoting women's sports, open and accessible training, better conditions for progress and the creation of top results, but also for mass. We want to encourage girls to get involved in sports activities from the earliest days, because sports can only help them grow and develop.

# 3.7. An Efficient and Responsible State

### 3.7.1. Public Administration Efficiency

We started the successful transformation of public administration into an efficient service for citizens in the previous Government through the digitalization of public administration. Our goal has been, and continues to be, the introduction of an economical and transparent public administration, administration without corruption, and the best way to reach that goal is the development of e-Government. For the first time, Serbia received the Law on eGovernment, the Law on Address Register and the Law on the Central Population Register, and amendments to many other laws successfully laid the foundations for digitalization of Government and business: abolished was the obligation to use seals for businesses, the management, storage and archiving of electronic documents was defined, the registration in the real estate cadastre was reformed, improved were the electronic identification of citizens, interoperability of electronic systems and registers, security and data protection. By introducing the obligation to electronically exchange data between administrative bodies, we put an end to the earlier practice of citizens being couriers carrying their paper documents from counter to counter, and electronic services became available 24 hours, 7 days a week, 365 days a year, from anywhere on the planet. To date, over 15 million data have been exchanged within the public administration in this way.

The task of the new Government is to raise the bar even higher, to be more responsible towards the citizens, to be more proactive, to approach the citizens as much as possible, to ensure that they always get an answer and that the state is always available to them in an easy and simple way. Communication with citizens and the economy must be efficient and accessible through various channels: contact centre, text messages, e-mail, social networks, and virtual assistants ("chat bots"). The Government must complete the work in the segment of digitalization of public administration by proposing new Laws on the Social Card, the Law on the Register of Administrative Procedures and improving the Law on Information Security.

The next Government will complete and put into operation a system of great importance for the Republic of Serbia - the State Centre for Data Storage (Data Centre) in Kragujevac. In just 3 years, we have gone from having the data stored in unconditionally small system halls, to the data of citizens and the economy being stored according to the highest technical and security standards. The data centre will be much more - by entering into contracts with large commercial users who want to store their equipment and data in Kragujevac, we will accelerate the growth of our ICT sector, and turn Kragujevac into a serious regional IT centre.

For the complete digitalization of public administration, it is of great importance to start using the Central Population Register (so that all citizens' data are in one place and

that every change of data is available to all state bodies, so that citizens do not have to prove this change from counter to counter), as well as the establishment of a Metaregistry, a state electronic registry, and an electronic archive. When we finish this, the citizens will know exactly where which file is in the administration, the papers will be forgotten, and we will be able to say that we have completed the digital transformation of public administration.

On the eGovernment Portal, we have enabled citizens to see their personal data from as many as 20 records and registers. An e-mailbox (eSanduče) has been implemented on the Portal, which enables electronic delivery of documents. The task for the next Government is for as many institutions as possible to communicate with citizens via emailbox in order to fully transfer communication to the online environment and solve the decades-old problem of obsolescence due to failed delivery. Also, the task for the new Government is to establish an electronic signature in the "cloud", which will enable the electronic signing of documents from a mobile phone and the final abolition of the obligation to issue payment receipts as proof of payment for public administration services.

In digitalization, our goal is to make it easier for citizens and the economy to access services, but also to provide employees in the administration with tools to do their job faster and better. We have established the National Academy of Public Administration with the intention of professionalizing the work of civil servants by monitoring their needs and adapting training to the reforms we are implementing. The Academy is becoming a tool to support significant changes in the work of public administration, primarily in the continuous improvement of work performance and quality of services provided to citizens and the economy by civil servants. We expect the Academy to help us focus the attention and energy of local Government leaders on creating a clear vision of economic development of the municipality, support for entrepreneurs and entrepreneurship, more concrete and productive dialogue with young people, revival and strengthening of cultural institutions and empathy and solidarity with each of our citizens.

In addition to that, we will ensure that all senior management positions are filled on a competitive basis in accordance with the prescribed procedure and deadlines. We will work on the digitization of internal systems for human resource management and performance appraisal of employees to make the state administration system more efficient and transparent.

Good foundations have been laid for the reform of the public sector salary system by the Law on the Public Sector Salary System, which was adopted in 2016, as well as the Law on Salaries of Civil Servants and Employees in Autonomous Provinces and Local Self-Government Units. The application of these laws requires complex performance evaluation analyses of all employees, which will ultimately enable everyone to be paid equally in relation to the job and the responsibility of the job, and not to depend on which state institution they work in. Due to the crisis, the implementation of these laws has been postponed until 2022.

#### 3.7.2. Public Enterprise Reform

Public enterprise reform is a demanding process that the Government of the Republic of Serbia has already entered into with the support of partners, such as the World Bank, the European Bank for Reconstruction and Development (EBRD) and the International Monetary Fund (IMF). The reform of public companies will not only help the budget but will significantly increase the competitiveness of our economy.

Since 2014, we have proven that we are ready and that we can solve complex problems in public enterprises. Enterprises such as the Steel Mill in Smederevo, RTB Bor and PKB were successfully transformed in stable enterprises with positive business operations that significantly contribute to our economy and that no longer represent a burden for our budget. It is now necessary to continue the reform of public enterprises and to pay special attention to their efficiency and competitiveness. This will also help us increase the overall productivity of the economy, which is growing much faster in parts of the private sector than in public enterprises. The process of modernization of public enterprises is extremely important for us, although it brings with it great challenges. Therefore, we will perform detailed analyses and comparisons of several different models of European countries with the help of international experts, all in order to find the most optimal solution for our public enterprises.

# 3.7.3. Social Policy

The priority reform in terms of better targeted social benefits is to work on social maps that represent a unified insight into data on current and potential beneficiaries. Social cards will enable citizens who are in the most difficult economic position to be more visible in the system, to exercise their entitlements to necessary support in a timely and effective manner. So far, the first phase of the development of the social card register has been completed, which includes the connection of the data subsystem at the level of the relevant ministry, and the Draft Law on the Social Card has been completed. In the following period, the adoption of this law and the connection of the social card register with the relevant data systems of other state administration bodies, as well as the competent institutions at the local level, will be completed. This will greatly improve the control of social benefits and, thus, will result in a much better (and much fairer) distribution of money. Therefore, the Government's expectations are that we will provide much better targeted social assistance for the same amount of money.

Another priority in this area will be to expand the scope of seasonal employment reforms. During the mandate of the previous Government, we successfully implemented this reform for seasonal workers in agriculture. We must now extend the scope of this reform to the construction, tourism and catering sectors and home help.

# 3.7.4. Population Policy

Compared to the neighbouring countries, the Republic of Serbia is the only country to record an increase in the number of live births in 2019 compared to 2018, although all countries face demographic challenges of insufficient births and intensive emigration of the young population. In 2019, 424 more babies were born in Serbia compared to 2018, and the rate of total fertility (number of children per woman) for the first time after 15 years is higher than 1.5. Women who stayed in Serbia decide to have more children, so that the number of third, fourth and fifth children grows, as well as the educational structure of mothers.

In the previous period, the Republic of Serbia achieved significant results by awarding grants for co-financing population policy measures. Reconstruction and construction of preschool facilities created conditions for reducing the waiting list in kindergartens (by 3,200 places). Nursery groups were formed that did not exist in rural areas, as well as duty kindergartens for children from 2 pm to 10 pm. 50 housing units have been provided for young married couples, and nearly 200 million dinars have been set aside for starting their own business for young married couples in rural areas. To harmonize work and parenthood, buses were purchased to transport students from rural areas. More accessible health care, especially in rural areas, has been provided by providing the necessary equipment, and counselling centres for pregnant women, reproductive health, parenting schools and counselling centres for young people have been established in over 100 municipalities.

One focus of the national program "Serbia 2025" is on issues of demography and population policy.

Increasing financial benefits for new-borns, although not crucial, are one of the significant measures that can motivate young people to decide to start a family. The previous Government of Serbia, at the initiative of the President of the Republic of Serbia, significantly increased financial support for new-borns and their families: for the first-born child 100,000 dinars are now paid once, for the second child 10,000 dinars per month for two years, for the third child 12,000 dinars per month for a period of ten years, and for the fourth 18,000 dinars per month also for a period of ten years.

Financial benefits from the state are not a crucial measure that will motivate young people to decide to start a family, but they are important. Increasing financial benefits for population policy measures represents a clear, strategic response of the state to increase the birth rate and to achieve sustainable population development of Serbia.

One of the priority tasks of the Government will be to further amend the Law on Financial Support to Families with Children in order to, while maintaining the same level of financial support or in some cases increase financial support, clarify certain issues about problems in law enforcement, also to amend certain articles of the law pointed out to us by the relevant civil society organizations as problematic. In addition, the Government will change the legal framework so that in the future benefits are paid directly to pregnant women by the state, and not through the employer. This will prevent delays in payments and provide additional security for pregnant women. Within the further priorities of action and improvement in this area, work on solving the housing issue for young married couples is planned, as well as subsidizing kindergartens and allocating funds for a richer network of preschool institutions through partnership with employers, which enables harmonization of work and parenthood.

Given that about 10% of couples in Serbia face infertility, one of the priorities of pronatalism policy is biomedical assisted reproduction (BMPO). In June 2020, the rights of insured persons-women in relation to infertility treatment procedures were extended - the possibility of an unlimited number of attempts at BMPO at the expense of the statutory health insurance funds to have the first child. Also, the age limit for women from 42 years of age has been moved to 43 years, at the date of obtaining the Certificate of Eligibility for the BMPO procedure.

The proposed activities, along with the fact that there will be an entire department in the new Government that will deal exclusively with this issue, represent a clear, long-term, strategic response of the state to increase the birth rate and to achieve a sustainable population development of Serbia.

#### CONCLUSION

In the regular parliamentary elections held on 21<sup>st</sup> June 2020, the electoral list "Aleksandar Vučić - For Our Children" won the huge trust of the citizens of the Republic of Serbia, almost without precedent in modern Serbian political history.

This kind of trust carries an equally huge responsibility for how Serbia continues to develop, what is the quality of life in it and how happy, satisfied and fulfilled the people in Serbia are and how much they feel that our society gives everyone an equal chance to realize all their potentials and desires.

After many years, together with our citizens - with their support, trust and great work we have managed to return the country to the right path: the path of economic progress, political reforms and the path of establishing a truly independent state of all its citizens, a credible and reliable partner and factor on the European and global political scene.

Today, Serbia faces significant health, political and security challenges.

The first priority of this Government is to protect human health and support the health system in the fight against the coronavirus. We are certainly facing another difficult year in which we will have to continue this struggle, at the same time fully focusing on our economic recovery, growth and development of our businesses. We expect that the world will be able to return to some kind of normalcy only in 2022, and that in the economic sense, the world will recover from this crisis only in 2029. Serbia must move faster. That is why I call not only to renew but also to continue to build our society, economy and institutions more courageously and boldly in order to overcome the challenges imposed on us by the COVID-19 pandemic and to bring the society together as a whole behind the goal of a better future for Serbia.

In addition to health challenges, we will have also numerous political challenges. They will, above all, refer to the relations with Priština, the continuation of the dialogue on normalization and the problems in the establishment of the Community of Serb Municipalities, which we will not give up. We keep our word and stand behind our signature, and we expect the same from others in order to continue further talks in good faith. The Government of Serbia will continue to provide full and unreserved support to the President of the Republic of Serbia in these talks, we will always act as one team and we will always, regardless of all pressures, and they will be greater and heavier, protect the interests of our country and our people in Kosovo and Metohija.

At the domestic level, we are facing a serious and difficult fight against organized crime - the mafia, which is under the illusion that it is stronger than the state and that it could govern this state. Our job is resolutely to stand in its way. To show that the state is always stronger, that there is no playing with institutions, that no connections between representatives of institutions and criminals will be tolerated and that no one will be protected. This fight will not be easy, simple or harmless, but it is up to us to carry it out and win it. There is no other option.

In this fight, and now I am primarily addressing all our security services, we must especially deal with the security of the President of the Republic of Serbia, Aleksandar

Vučić, who both declared and started the war against this mafia. We witness every day the most monstrous and reckless attacks on him and his family with only one goal: to dehumanize and criminalize him to the extent that every attack on him - verbal or physical - becomes expected and understandable. The financial power of those who do this is enormous. Our energy to counter this must be greater. I will personally understand this as one of my tasks and I will fight for the truth, and against all the lies they place against the President of the Republic and his family, every day and tirelessly. I guarantee that we will be able to protect the will of our citizens and the man they entrusted to lead Serbia to new victories.

In addition to these three key challenges that are before us, always, esteemed citizens, members of parliament, ministers, keep in mind that the world is becoming more complex day by day, in the geopolitical, technological, health and climate sense. The challenges before us are multiple, different and intertwined.

Through these challenges, we must lead and protect Serbia as an essentially free, independent and sovereign state that is on the European path - both politically and in terms of values, but that maintains its friendly relations with the Russian Federation, the People's Republic of China and all our other partners, and that builds better relations with the United States. All members of the Government and their teams must work daily, with full dedication, with a lot of energy, to continue, and even faster, despite all challenges, to increase the economic strength of our country and thus directly affect the better living standards of our citizens.

We must constantly look at the quality of life of the citizens of Serbia from different aspects, especially in relation to the challenges ahead. We must constantly analyse and work on the quality of our roads and whether we should renew them and build new ones, how interconnected towns and municipalities in Serbia are, how they are connected to the region. What are our schools like, what is the level of health care and how fast are we renovating and building our educational and health infrastructure. We must get used to a world in which health care is becoming one of the key levers of power of a state and its citizens. That is why we need to invest even more in science, research and development, artificial intelligence, biotechnology, clinical trials, and innovative medicines. This will make our country safer and more resilient, our health care system more efficient and of better quality, and our citizens safer.

In our henceforward development, we must start paying much more attention to the environment. If we do not protect our resources - water and air - for generations to come, what we do and change today will not be sustainable. If our air is polluted, and we release untreated wastewater directly into rivers, we cannot talk about quality of life. Although it is clear why we have not done this before - because all these technologies are expensive, require huge investments and raise the cost of living in a country - Serbia today is a country at the level of development and financial stability that we must start thinking about and invest in this. Finally, if we want an economy and a society based on know-how and innovation, which directly means much better incomes for our citizens, then we must know that there is no economy and society without caring for the environment.

And, despite all the challenges, we must keep the peace. Peace and stability are preconditions for preserving everything we have created and implementing all other

plans that will further strengthen our country and the quality of life in it. As a military neutral country, it is important to further strengthen our army, police and all our security services, but also to reform the judiciary so that it is truly independent, and at the same time, much more efficient and determined in the fight against corruption and crime.

The Government will strive to remind governmental bodies at all levels on a daily basis, including mayors and chairpersons of municipal assemblies, that the common person must be at the centre of our attention. That we are here for the sake of our citizens and to serve them. Therefore, we should never be too busy to hear their needs and to work on resolving their issues - both systemically and individually.

This Government must continue to turn Serbia into a country of winners in areas in which we have rarely won throughout history - in the economy, unemployment rate, technology, innovation, great faith in ourselves, our people and our future.

The future Government of the Republic of Serbia, if we get your support, will have 21 departments and two ministries without portfolios. If we compare with the previous Government, only 5 departments are headed by the same ministers, and I am especially proud of the fact that we have 6 new ministers who are not officials of the Serbian Progressive Party (SNS) or our coalition partners. I am proud that there are as many as 11 women in my cabinet, that they will lead some of the most complex departments and be faced with the biggest challenges. Almost 50% of this Government is made up of women, which places us at the very top of the world in terms of gender equality. From this place, I call on the economy and all other stakeholders in society to follow the example we are setting today - both as the Government, but also as you, as the Assembly, which currently has almost 40% of women in the parliamentary seats.

These changes in the new Government show that we listened carefully to what the citizens told us in the elections. We understood that we had to work even more energetically, that we needed new knowledge and enthusiasm.

Dear members of parliament, on behalf of the members of the future Government of the Republic of Serbia, I propose:

- Branko Ružić, for the First Deputy Prime Minister and Minister of Education, Science and Technological Development
- Branislav Nedimović, for Deputy Prime Minister and Minister of Agriculture, Forestry and Water Management
- Professor Zorana Mihajlović, PhD, for Deputy Prime Minister and Minister of Mining and Energy
- Nebojša Stefanović, for Deputy Prime Minister and Minister of Defence
- Maja Gojković, for the Deputy Prime Minister and Minister of Culture and Information
- Siniša Mali, for Minister of Finance

- Anđelka Atanasković, for the Minister of Economy
- Irena Vujović, for the Minister of Environmental Protection
- Tomislav Momirović, for the Minister of Construction, Transport and Infrastructure
- Tatjana Matić, for the Minister of Trade, Tourism and Telecommunications
- Maja Popović, for the Minister of Justice
- Marija Obradović, for the Minister of State Administration and Local Self-Government
- Gordana Čomić, for the Minister of Human and Minority Rights and Social Dialogue
- Aleksandar Vulin, for the Minister of the Interior
- Nikola Selaković, for the Minister of Foreign Affairs
- Jadranka Joksimović, for the Minister for European Integration
- Zlatibor Lončar, MD, for Minister of Health
- Professor Darija Kisić Tepavčević, MD, for the Minister of Labour, Employment, Veteran and Social Affairs
- Radomir Ratko Dmitrović, for the Minister of Family Care and Demography
- Vanja Udovičić, for the Minister of Youth and Sports
- Milan Krkobabić, for the Minister of Village Care
- Nenad Popović, for a minister without portfolio
- Novica Tončev, for a minister without portfolio.

I expect all members of the Government to be fully committed to achieving the goals we set together today. There is no greater honour than serving our country and our citizens, and that is exactly what I expect from all of us, to behave like that every day. I ask of you to fight, not to put up with the current situation, but always to try to achieve more. Do not forget that we bear responsibility to the National Assembly and all citizens of the Republic of Serbia and that they are the ones we work for.

Challenging times are ahead of us, but in 2025, Serbia must be a country where average salaries amount to  $\in$  900, and average pensions amount to more than  $\in$  430; a country where the unemployment rate is at the level of the euro zone, a country with modern education and infrastructure, that is well connected, a leader in advanced

technologies and digitalisation; a country of perspective and a country of winners in every sense, and for that each of us must do our best every day.

For our people and for our Serbia.

Long live Serbia!