

Decree on Capital Projects (Official Gazette of the RS, No. 79/2026)

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Pursuant to Article 54a, paragraph 3 of the Law on Budget System ("Official Gazette of the Republic of Serbia," no. 54/09, 73/10, 101/10, 101/11, 93/12, 62/13, 63/13 – correction, 108/13, 142/14, 68/15 – other law, 103/15, 99/16, 113/17, 95/18, 31/19, 72/19, 149/20, 118/21, 118/21 – other law, 138/22, 92/23 and 94/24) and Article 42, paragraph 1 of the Law on the Government ("Official Gazette of the Republic of Serbia", no. 55/05, 71/05 – corr., 101/07, 65/08, 16/11, 68/12 – SC, 72/12, 7/14 – SC, 44/14 and 30/18 – other law),

The government is adopting

ORDINANCE

on capital projects

I. INTRODUCTORY PROVISIONS

Subject to editing

Article 1.

This regulation further regulates the concept, content, and classification of capital projects, the method of their preparation, evaluation, selection and prioritization, the procedure for monitoring and reporting on implementation, the analysis of the achieved effects of the implemented capital project, as well as other issues of importance for the implementation of the capital project's project cycle.

Capital Project Management

Article 2.

The management of capital projects for the purposes of this regulation includes:

- 1) Defining the objectives and effects to be achieved through the implementation of the capital project;
- 2) comprehensive and professionally-based preparation of the capital project, which involves an analysis of the necessary financial resources, materials, and the proposed timeframe for its implementation;
- 3) evaluation, selection, and prioritization of capital projects in accordance with prescribed criteria;
- 4) implementation of the capital project in accordance with the defined plan, as well as continuous monitoring and reporting on the project's implementation;
- 5) a comprehensive analysis of the effects achieved and the objectives accomplished by the implemented capital project.

Capital project management is conducted with the goal of the efficient and effective use of public funds, in order to achieve budgetary goals and implement fiscal policy in accordance with the law governing the budget system.

Application of the regulation

Article 3.

The provisions of this regulation apply to:

- 1) capital projects that are fully or partially financed with public funds, within the meaning of the law governing the budget system;
- 2) capital projects that are financed in whole or in part through borrowing, within the meaning of the law governing public debt;
- 3) capital projects for which the Republic of Serbia provides a guarantee for debt repayment, within the meaning of the law governing public debt, or capital projects for which a state guarantee is provided within the meaning of the law governing the budget system;
- 4) capital projects for which the Republic of Serbia issues subsidies in accordance with the law governing the budget;
- 5) capital projects that are fully or partially financed by donations, transfers, financial assistance, or funds from the European Union, international institutions and organizations, or other states.

The provisions of this regulation do not apply to capital projects implemented in the security sector.

The provisions of this regulation may be applied as general principles for managing capital projects, with respect to those projects to which the scope of this regulation does not apply.

The concept of a capital project

Article 4.

Capital projects are construction and capital maintenance projects of buildings and infrastructure facilities of interest to the Republic of Serbia, the autonomous province, or the units of local self-government, including project planning services that are an integral part of the project, provision of land for construction, as well as projects involving investment in equipment, machinery, and other non-financial assets, and are in the public interest.

A capital project as defined in paragraph 1 of this article that involves investment in equipment, machinery, and other non-financial assets includes costs related to the acquisition and reconstruction of equipment, machinery, and other non-financial assets, and not expenses and expenditures related to current maintenance.

A capital project as defined in paragraph 1 of this article, for which a multi-year implementation period is planned, may be divided into multiple phases for more effective planning and implementation, provided that each phase individually meets the criteria required for the classification of a capital project (hereinafter: long-term capital project).

In the case referred to in paragraph 3 of this article, each phase individually constitutes a separate capital project to which the provisions of this regulation apply.

A capital project from paragraph 1 of this article shall not be artificially divided into multiple projects for the purpose of avoiding the provisions of this regulation relating to capital project management.

Criteria for the Classification of Capital Projects

Article 5.

The classification of capital projects is based on the following criteria:

- 1) estimated costs of the capital project;
- 2) the primary user of the capital project;
- 3) sources of financing for the capital project.

The estimated costs of the capital project from paragraph 1, item 1) of this article represent a projection of all costs necessary for the implementation of the project cycle defined by this regulation, and in particular:

- 1) costs of preparing the capital project;
- 2) the costs of preparing and obtaining spatial and urban planning documents, technical documentation, and other administrative costs;
- 3) costs related to the acquisition and development of construction land and the settlement of property legal relations;
- 4) costs of construction, reconstruction, or maintenance of facilities;
- 5) costs of acquiring equipment, machinery, or other non-financial assets;
- 6) costs of procuring works and services necessary for the implementation of the capital project;
- 7) the costs of procurement of goods, raw materials, and materials necessary for the execution of the work, as well as transportation costs;
- 8) costs of a subsequent evaluation of the effects of the completed capital project.

The primary user of a capital project from paragraph 1, point 2) of this article is the Republic of Serbia, an autonomous province, or a local self-government unit, depending on the level of government that is competent in accordance with applicable regulations to implement the capital project, and depending on whether the expected effects of the implemented capital project are predominantly of republican, provincial, or local significance.

Sources of financing for the capital project from paragraph 1, point 3) of this article include all public funds from which the capital project is financed in whole or in part, or guarantees are provided for its financing.

Classification of capital projects

Article 6.

Based on the criteria from Article 5 of this regulation, a capital project may be:

- 1) State capital project;
- 2) provincial capital project;
- 3) Local capital project.

A republican capital project is a capital project with estimated costs of at least 20,000,000 euros in their dinar equivalent, whose primary beneficiary is the Republic of Serbia and which is fully or partially financed from the following funding sources:

- 1) from public funds available to and controlled by the Republic of Serbia, i.e., public revenues and receipts belonging to the budget of the Republic of Serbia;
- 2) from donations, transfers, financial assistance, or funds from the European Union, international institutions and organizations, or other states;
- 3) for which the Republic of Serbia provides a guarantee for the repayment of debt, in accordance with the law governing public debt, or for which a state guarantee is provided in accordance with the law governing the budget system;
- 4) for which the Republic of Serbia issues a subsidy in accordance with the law governing the budget.

A provincial capital project is a capital project with an estimated cost of at least 2,000,000 euros in its dinar equivalent, whose primary beneficiary is an autonomous province and which is fully or partially financed from the following funding sources:

- 1) from public funds available to and controlled by the autonomous province, i.e., public revenues and receipts belonging to the budget of the autonomous province;
- 2) from donations, transfers, financial assistance, or funds from the European Union, international institutions and organizations, or other states intended for the autonomous province;
- 3) for which the autonomous province issues a subsidy in accordance with applicable regulations.

A local capital project is a capital project with an estimated cost of at least EUR 2,000,000 in its dinar equivalent, whose primary beneficiary is a local government unit and which is fully or partially financed from the following funding sources:

- 1) from public funds available to and controlled by the local government unit, or public revenues and receipts belonging to the budget of the local government unit;
- 2) from donations, transfers, financial assistance, or funds from the European Union, international institutions and organizations, or other states intended for the local government unit;
- 3) for which the local government unit issues a subsidy in accordance with applicable regulations.

If a capital project qualifies for classification in two or more categories from paragraph 1 of this article, it is considered to be a capital project of the higher level of government.

If a specific project, based on the prescribed criteria, cannot be classified into any of the categories from paragraph 1 of this article, it shall not be considered a capital project for the purposes of this regulation.

Capital Projects of Special Significance

Article 7.

A capital project of special significance to the Republic of Serbia is a capital project from Article 4 of this regulation that is in accordance with the law governing planning and construction and is designated as a project of special significance to the Republic of Serbia (hereinafter: capital project of special significance).

The management of capital projects of special significance is conducted in accordance with the provisions of this regulation.

Public-Private Partnership and Concession Projects

Article 8.

A public-private partnership project is a project that complies with the law governing public-private partnership projects, approved as a public-private partnership project, with or without concession elements.

When providing an opinion on the project proposal referred to in paragraph 1 of this article, in accordance with the law governing public-private partnership projects, the ministry competent for financial affairs (hereinafter: the Ministry of Finance) also considers the criteria prescribed by this regulation, which relate to the evaluation, selection, and prioritization of capital projects.

Centralized database of capital projects

Article 9.

The centralized database of capital projects (Public Investment Management Information System – hereinafter: PIMIS) is an information system for managing capital projects that is used to record capital projects, enter project documentation at all stages of the project cycle, evaluation, selection, prioritization, and monitoring of capital projects, post-implementation evaluation of the achieved effects, as well as for other tasks related to the implementation of the project cycle defined by this regulation.

The Ministry of Finance establishes and manages PIMIS, in accordance with the provisions of this regulation.

The management of PIMIS from the standpoint of paragraph 2 of this article particularly includes:

- 1) Granting the right to access and use PIMIS to authorized users;
- 2) defining all technical aspects necessary for the implementation and use of PIMIS in accordance with this regulation;
- 3) Granting approval for the integration of PIMIS with other information systems.

An authorized user of PIMIS is a participant in the capital project project cycle who represents the user of public funds in the sense of the law governing the budget system and to whom the Ministry of Finance has granted the right to access and use PIMIS-a, in accordance with its powers and duties prescribed by this regulation.

The authorized user of PIMIS, as referred to in paragraph 4 of this article, is obligated to provide the technical conditions for uninterrupted access to and use of PIMIS.

Information System for the Coordination of Development Assistance (Intersectoral Development Assistance Coordination Network - hereinafter: ISDACon), is an information system for the planning, programming, coordination, monitoring, and reporting of international development assistance projects, which is applied in the project cycle of a capital project in accordance with the provisions of this regulation.

The Minister of Finance shall further prescribe the content of PIMIS, the conditions for access, as well as all technical and professional aspects necessary for the implementation and use of PIMIS.

II. Participants in the Project Cycle

Capital Projects Commission

Article 10.

The Capital Projects Commission is a Government working body that evaluates, selects, and prioritizes state capital projects, monitors their implementation, and oversees and directs the capital project management process in order to efficiently and effectively use public funds and achieve budgetary goals.

The Capital Projects Commission (hereinafter: the Commission) is established by the Government and is composed of the Chairperson of the Commission, the Vice-Chairpersons of the Commission, and the Members of the Commission.

The Commission is composed of the following, by virtue of the function they perform:

1) President of the Commission – Head of Government;

2) Vice-Presidents of the Commission:

(1) the minister responsible for finance;

(2) the minister responsible for construction, transportation, and infrastructure;

(3) the minister competent for European integration affairs;

3) members of the Commission:

(1) the minister responsible for public investment affairs;

(2) the minister competent for information and telecommunications;

(3) the minister competent for mining and energy affairs;

(4) the minister competent for agriculture, forestry, and water management;

(5) the minister competent for environmental protection;

(6) the minister responsible for economic affairs;

(7) the minister competent for matters of state administration and local self-government;

(8) the minister responsible for health affairs;

(9) the minister competent for education;

(10) the minister responsible for science, innovation, and technological development.

The Commission is responsible for:

1) adoption of the List of Project Ideas;

2) adoption of the List of Projects in Preparation;

3) adoption of the list of prepared projects;

4) prioritizing state capital projects based on the criteria prescribed by this regulation;

5) deciding on initiating the procedure for correcting the republican capital project;

6) Decision on initiating the rationalization procedure for the republican capital project.

The Commission works and decides on matters within its jurisdiction at its meetings.

For the consideration of matters of significance to the management of capital projects, representatives of state bodies and organizations, representatives of bodies of territorial autonomy and local self-government, participants in the project cycle, as well as other persons who can contribute to the work of the Commission, may be invited to a Commission session.

In exceptional cases, the President, Vice Presidents, and members of the Commission may, by written authorization, empower another person to attend a meeting and decide on the proposed agenda items.

The administrative and professional-technical work of the Commission is performed by the Ministry of Finance.

The Commission adopts a rules of procedure that further regulates its manner of work and decision-making, as well as the manner of work and decision-making of the Subcommittee from Article 11 of this regulation.

Subcommittee

Article 11.

A subcommittee is an expert body of the Commission that participates in the preparation of the Commission's session and reviews matters of importance to the Commission's work and decision-making.

The subcommittee is formed by the Government and consists of a chairperson and three members.

The Government appoints the Chairperson and members of the Subcommittee as follows:

1) the Chairperson of the Subcommittee – upon the proposal of the Ministry of Finance;

2) members of the Subcommittee:

(1) one member proposed by the ministry in charge of construction affairs;

(2) one member proposed by the ministry responsible for European integration affairs;

(3) one member proposed by the ministry in charge of environmental protection.

The President and members of the Subcommittee have alternates, who are appointed by the Government in accordance with the procedure of paragraph 3 of this article.

For the Chairperson and members of the Subcommittee, as well as for their alternates, persons who have the necessary knowledge and skills in areas relevant to the Subcommittee's work may be proposed.

The Subcommittee reviews the financial aspect of the capital project, the capital project's compliance with regulations governing the management of European Union pre-accession assistance programs, the capital project's compliance with planning documents, and the readiness of the project's technical documentation, compliance of the capital project with regulations governing environmental protection, as well as other issues of importance for the work and decision-making of the Commission.

The Subcommittee works and considers matters within its jurisdiction at its meetings.

For the consideration of matters of importance to the work of the Subcommittee, representatives of state bodies and organizations, representatives of bodies of territorial autonomy and local self-government, participants in the project cycle, as well as other persons who can contribute to the work of the Subcommittee, may be invited to its session.

On matters within its jurisdiction, the Subcommittee issues an opinion, which is submitted to the Commission as material for a session and which the Commission considers in its work and decision-making.

The administrative and professional-technical work of the Subcommittee is performed by the Ministry of Finance.

Project Idea Proposer

Article 12.

The proponent of a project idea is a public fund user within the meaning of the law governing the budget system, who prepares, formulates, and proposes the project idea for the implementation of a capital project, in accordance with the provisions of this regulation.

The project idea proponent submits the project idea through the authorized capital project proponent from Article 13 of this regulation.

Authorized proponent of the capital project

Article 13.

The authorized proponent of a capital project is a direct user of budget funds within the meaning of the law governing the budget system, that is, the competent ministry, body, or organization of territorial autonomy, or a body or organization of local self-government that prepares and implements the capital project in accordance with the provisions of this regulation (hereinafter: authorized proponent).

The authorized proponent is required to carry out the preparation and implementation of the project in accordance with professional standards and the provisions of this regulation.

The authorized proposer is responsible for the accuracy of the data and information entered into PIMIS as

part of the project documentation.

The authorized proposer is required to designate a person responsible for the internal administration of PIMIS and to provide the Ministry of Finance with written information about that person.

The internal administration of PIMIS, as referred to in paragraph 4 of this article, includes the right to enter data and project documentation forms into PIMIS, as well as the right to open user accounts with the authorized proponent.

The authorized proposer may open a user account for the project idea proposer, as referred to in paragraph 5 of this article, for the purpose of performing the tasks set forth in Article 12 of this regulation.

The authorized proponent, within the capital project's project cycle, may also be the proponent of the project idea, in which case they have the rights and obligations under Article 12 of this regulation.

Ministry of Finance

Article 14.

The Ministry of Finance is a participant in the project cycle, performing coordination functions in the management of capital projects.

The coordination tasks referred to in paragraph 1 of this article shall include in particular:

- 1) management of PIMIS;
- 2) performing administrative and professional-technical tasks for the Commission and the Subcommittee;
- 3) providing an opinion on the financial aspect of state capital projects during the preparatory phase of the project cycle;
- 4) Monitoring the implementation of state capital projects;
- 5) Reporting to the public on capital projects;
- 6) other tasks that are not within the purview of other participants in the project cycle.

For the performance of the duties under paragraph 2 of this article, the Ministry of Finance may require other state bodies and organizations, bodies and organizations of territorial autonomy and local self-government, other participants in the project cycle, as well as from natural and legal persons, to provide certain notifications, information, and data relevant to the capital project management procedure.

The Ministry of Finance may be the authorized proponent in the project cycle of a state capital project, in which case it has the rights and obligations prescribed by Article 13 of this regulation.

III. Project Cycle

1. Concept and Phases of the Project Cycle

The concept of the project cycle

Article 15.

The project cycle of a capital project encompasses all actions and activities undertaken in the process of

managing capital projects, for the efficient and effective use of public funds and the achievement of the planned outcomes of the implemented capital project.

The project cycle of a capital project includes a series of chronologically defined actions and activities that need to be undertaken to prepare and implement the capital project in accordance with the provisions of this regulation.

Phases of the project cycle

Article 16.

The project cycle of a capital project is divided into:

- 1) preparatory phase;
- 2) the implementation phase.

During the preparatory phase of the project cycle, adequate and professionally-based project preparation must be conducted in accordance with the provisions of this regulation, with the goal that only capital projects that are ready for implementation proceed to the implementation phase.

The preparatory phase of the project cycle is divided into the following parts:

- 1) pre-selection of the project idea;
- 2) analysis of the project proposal;
- 3) project preparation;
- 4) the project's readiness assessment;
- 5) selection of projects.

During the implementation phase of the project cycle, all activities necessary to carry out the capital project in accordance with the implementation plan are undertaken.

The implementation phase of the project cycle is divided into the following parts:

- 1) implementation of the project;
- 2) correction of the implementation plan;
- 3) rationalization of the project;
- 4) Project completion;
- 5) an assessment of the effects of the implemented capital project (ex-post evaluation).

Project documentation

Article 17.

Project documentation includes the forms prescribed by this regulation, which are prepared in PIMIS by participants in the project cycle for the purpose of implementing the capital project's cycle.

Each project documentation form has prescribed content, purpose, and the stage of the project cycle in which it is submitted.

The authorized user of PIMIS is obligated to complete the project documentation form and enter it into PIMIS in accordance with the provisions of this regulation.

During the capital project's project cycle, the following project documentation is applied:

- 1) Form for the preliminary evaluation of project ideas (hereinafter: Form 1);
- 2) Form for evaluating the project proposal (hereinafter: Form 2);
- 3) Capital Project Readiness Report (hereinafter: Form 3);
- 4) Capital Project Implementation Plan (hereinafter: Form 4);
- 5) Report on the progress of the capital project implementation (hereinafter: Form 5);
- 6) Final report on the completed capital project (hereinafter: Form 6);
- 7) Report on the effects of the capital project;
- 8) Capital Project Closure Report

For the performance of the duties under Article 14 of this regulation, the Ministry of Finance may, in addition to the project documentation forms, also require other documentation, notices, and information.

If a capital project is financed in whole or in part with funds from the European Union, the Ministry of European Integration (hereinafter: the Ministry) also has the right under paragraph 5 of this article.

The project documentation templates are the material for the session of the Commission and the Subcommittee.

The Minister of Finance further prescribes the content, method of completion, and submission of project documentation forms.

Relationship between the budget calendar and the project cycle

Article 18.

Before submitting capital project proposals in the process of proposing medium-term public investment priorities, or in the process of preparing the local government's budget in accordance with the law governing the budget system, it is necessary to conduct a capital project evaluation procedure, in accordance with the provisions of this regulation.

Costs related to the implementation phase of a capital project may be proposed for financing in accordance with paragraph 1 of this article, if the preparatory phase of the project cycle has been carried out for that capital project, or if the project has been adopted on the list of prepared projects in accordance with the provisions of this regulation.

Costs related to the preparatory phase of a capital project's cycle may be proposed for funding in accordance with paragraph 1 of this article, provided that the capital project has been adopted on the list of preparatory projects in accordance with the provisions of this regulation.

Costs related to the preparation of a preliminary feasibility study may be proposed for funding in accordance with paragraph 1 of this article, if that capital project has been adopted on the list of project ideas in accordance with the provisions of this regulation.

If a capital project is financed in whole or in part with funds from the European Union, the regulations governing the management of the European Union's pre-accession assistance programs also apply to the procedure in paragraph 1 of this article.

The list of project ideas, the list of projects in preparation, and the list of prepared projects constitute the Single Project Pipeline.

If special regulations define that a capital project from paragraph 5 of this article is to be submitted to the European Commission for consideration, the project must first be adopted on the unified list of capital projects, in accordance with the provisions of this regulation.

In the process of proposing medium-term public investment priorities, that is, in the process of preparing the local government's budget, the budget calendar prescribed by the law governing the budget system is fully applied.

2. Preparatory phase

Project Idea Pre-selection

Article 19

The pre-selection of a project idea is the initial part of the preparatory phase of the project cycle, conducted to verify the adequacy, strategic relevance, cost-effectiveness, feasibility, and compliance of the project idea with positive regulations and assumed international obligations.

The review of the project idea from paragraph 1 of this article is conducted based on the following criteria:

- 1) the consistency of the project idea with public policies and planning documents in accordance with the law governing the planning system;
- 2) the potential impact of the capital project's costs on the budgetary system and public funds, in accordance with the law governing the budgetary system;
- 3) the potential impact of the capital project on the achievement of budgetary objectives and the implementation of fiscal policy in accordance with the law governing the budget system;
- 4) the feasibility of the capital project, which is determined by comparing the expected positive effects of the implemented capital project with the risks, potential negative effects, and estimated costs;
- 5) the consistency of the project idea with the Republic of Serbia's assumed international obligations, including obligations arising from the accession negotiations with the European Union;
- 6) the consistency of the project idea with the Republic of Serbia's assumed international commitments regarding climate change, as well as with the law governing the system for limiting the emission of greenhouse gases;
- 7) the potential impact of the capital project on social and community circumstances, as well as on local,

regional, or national development;

8) Institutional capacity of the authorized proponent to implement the project cycle.

Only a project idea that has passed the verification procedure in accordance with paragraph 1 of this article proceeds to the capital project's project cycle.

The pre-selection of a long-term capital project idea is conducted for the single capital project before it is divided into phases. After the project is approved for the list of project ideas, the subsequent project cycle is carried out for each phase individually.

The pre-selection of the project idea is initiated by the project idea proposer, who prepares, formulates, and submits the project idea on Form 1.

The project idea proposal from paragraph 5 of this article contains a concise description of the planned capital project, a timeline, potential sources of funding, estimated costs, as well as its relationship to planning documents in accordance with the law governing the planning system (hereinafter: draft project idea).

The project idea proposer submits the project idea proposal to the authorized proposer via PIMIS.

The authorized proposer reviews the proposed project idea based on the criteria from paragraph 2 of this article.

The project proposal that has been determined, through the verification in paragraph 8 of this article, to meet the prescribed criteria, the authorized proponent submits to the Ministry of Finance via PIMIS.

The Ministry of Finance reviews the financial aspect of a proposed project idea, which primarily relates to the estimated costs and potential sources of financing for the capital project and their impact on the budgetary system and public funds, and provides an opinion accordingly.

If the project proposal designates European Union funds as a potential source of financing, the opinion referred to in paragraph 10 of this article is also provided by the Ministry of European Integration, within its remit.

The opinions from paragraphs 10 and 11 of this article are submitted to the Subcommittee and the Commission, along with the proposal for a unified list of project ideas, as material for the session.

List of project ideas

Article 20.

A project idea proposal that has passed the verification procedure in Article 19 of this regulation is included by the Ministry of Finance in the proposed list of project ideas.

The proposed list of project ideas is prepared in PIMIS, and the order of the proposed project ideas is determined chronologically, based on the moment of submission of Form 1 to the Ministry of Finance.

The proposed list of project ideas contains the name of the project idea, the authorized proponent, estimated costs, and planned sources of funding.

The Ministry of Finance submits a proposed list of project ideas, along with the materials for the session, to the Subcommittee for consideration.

The subcommittee reviews the proposed list of project ideas within its jurisdiction and provides an opinion, which serves as material for the Commission's meeting.

The Ministry of Finance submits the proposed list of project ideas, along with the materials for the session, to the Commission for review and decision-making.

At its meeting, the Commission reviews the proposed list of project ideas and the submitted materials, and on that basis decides which project idea proposals will be included on the list of project ideas.

The Commission adopts the list of project ideas at a meeting in accordance with paragraph 7 of this article.

The Ministry of Finance notifies the authorized proponent whose project idea proposal was adopted for the list of project ideas via PIMIS.

After the adoption of the project proposal on the list of project ideas, costs related to the preparation of a preliminary feasibility study or a preliminary feasibility study may be proposed for funding in the procedure for proposing medium-term public investment priorities, or in the procedure for preparing the local authority's budget, in accordance with Article 18 of this regulation.

Analysis of the project proposal

Article 21.

The project proposal analysis is the analytical part of the preparatory phase of the project cycle, during which the authorized proponent defines all factual and legal actions and activities that need to be undertaken for the purpose of preparing and implementing the capital project and projects the costs and timeline required for its implementation.

The analysis of the project proposal from the perspective of paragraph 1 of this article particularly includes:

- 1) Precisely defining the legal and administrative actions that need to be taken during the project cycle;
- 2) analysis of spatial and urban planning documents and technical documentation that need to be obtained during the preparatory phase of the project cycle;
- 3) Defining the costs of the capital project;
- 4) Defining the source of funding for the capital project's costs;
- 5) Defining the project cycle timeframe;
- 6) an analysis of the expected effects of the implemented capital project on the population, the environment, economic development, and other social and economic aspects.

In accordance with paragraph 1 of this article, the authorized proponent prepares and formulates the project proposal on Form 2 for the financing of costs necessary for the implementation of the preparatory phase of the project cycle (hereinafter: the project proposal).

If a previous feasibility study or a previous feasibility analysis has been prepared, it is submitted with the project proposal.

If the project proposal is to be financed with European Union funds, the authorized proposer from paragraph 3 of this article, Form 2 is entered into PIMIS only after receiving the assessment from ISDACon, in accordance with regulations governing the management of European Union pre-accession assistance programs.

The costs referred to in paragraph 3 of this article include all costs necessary for the implementation of the preparatory phase of the project cycle, and in particular:

- 1) costs of preparing and obtaining spatial and urban planning documents and technical documentation, and other administrative costs;
- 2) costs of settling property legal relations;
- 3) costs related to the development and acquisition of land for construction.

The authorized proponent submits the project proposal to the Ministry of Finance via PIMIS.

The Ministry of Finance reviews the financial aspect of the project proposal, which primarily relates to the estimated costs and funding sources for the capital project and their impact on the budgetary system, public funds, and the availability of fiscal space, and provides an opinion accordingly.

If the project proposal designates European Union funds as a source of financing, the opinion referred to in paragraph 8 of this article is also issued by the Ministry for European Integration, within its remit.

The opinions from paragraphs 8 and 9 of this article shall be submitted to the Subcommittee and the Commission, along with a proposed list of projects under preparation, as material for the session.

List of projects in preparation

Article 22.

The Ministry of Finance includes a project proposal for which an analysis under Article 21 of this regulation has been conducted in the draft list of projects in preparation.

The proposed list of projects in preparation is compiled in PIMIS, and the order of the project proposals is determined chronologically, based on the time Form 2 is submitted to the Ministry of Finance.

The proposed list of projects in preparation contains the name of the project proposal, the authorized proponent, the estimated costs for project preparation and implementation, as well as the planned sources of financing.

The Ministry of Finance submits the proposed list of projects under preparation, along with the materials for the session, to the Subcommittee for consideration.

The subcommittee reviews the proposed list of projects under preparation within its jurisdiction and, in that regard, provides an opinion, which serves as material for the Commission's meeting.

The Ministry of Finance submits the proposed list of projects under preparation, along with the materials

for the session, to the Commission for review and decision.

At its meeting, the Commission reviews the proposed list of preparatory projects and the submitted materials, and on that basis decides which project proposals will be included on the list of preparatory projects.

The Commission, at its meeting, adopts the list of projects in preparation, as per paragraph 7 of this article.

The Ministry of Finance notifies the authorized proponent, whose project proposal has been approved for the list of projects in preparation, via PIMIS.

After the adoption of the project proposal on the list of projects in preparation, costs related to the preparation of the project proposal may be proposed for funding in the procedure for proposing medium-term public investment priorities, or in the procedure for preparing the local government's budget, in accordance with Article 18 of this regulation.

Project Preparation

Article 23.

Project preparation is part of the preparatory phase of the project cycle, during which the authorized proponent undertakes all legal and factual actions and activities necessary to prepare the capital project, with the goal of making the capital project ready for implementation.

The preparation of the project referred to in paragraph 1 of this Article shall in particular include:

- 1) procuring and preparing spatial and urban planning documents and technical documentation in accordance with the law governing planning and construction;
- 2) the preparation of a feasibility study and a preliminary feasibility study in accordance with the law governing planning and construction, if not submitted with the project proposal;
- 3) the preparation of a preliminary feasibility study and a feasibility study in accordance with the provisions of this regulation, if not submitted with the project proposal;
- 4) obtaining an assessment of the project's impact on the environment, in accordance with the law governing environmental protection;
- 5) Settlement of property law relations, and implementation of prescribed administrative procedures, in accordance with applicable regulations.

The authorized proponent summarizes the undertaken actions and activities from paragraph 1 of this article on Form 3, for the purpose of evaluating the project proposal and its selection (hereinafter: the prepared project proposal).

Along with the proposal for the prepared project, the authorized proponent also submits all documentation that has been prepared and obtained in accordance with paragraph 1 of this article.

If the proposal for the prepared project is intended to be funded in whole or in part from European Union funds, the authorized proposer from paragraph 3 of this article, Form 3 is entered into PIMIS only after receiving the assessment from ISDACON, in accordance with regulations governing the management of

the European Union's pre-accession assistance programs.

Project Readiness Rating

Article 24.

The project readiness assessment is part of the preparatory phase of the project cycle, during which it is reviewed and analyzed whether the prepared project proposal is ready for implementation.

The project readiness assessment is conducted by analyzing the data and information provided on Form 3, as well as the documentation submitted with the form.

The Ministry of Finance may require the authorized proponent or other state bodies and organizations, bodies and organizations of territorial autonomy and local self-government, other participants in the project cycle, as well as from natural and legal persons to provide additional notifications, information, and data relevant to the assessment of the project's readiness.

Upon a request under paragraph 3 of this article, the entity to which the request is addressed shall act without delay.

The Ministry of Finance reviews and analyzes the data and information submitted on Form 3, in order to determine whether the authorized proponent has conducted the project preparation and procured the necessary documentation in accordance with Article 23 of this regulation.

When considering and analyzing the matter, the Ministry of Finance may request an opinion from the ministry responsible for construction matters regarding the readiness of the project and the project documentation related to the law governing planning and construction.

When considering and analyzing the matter, the Ministry of Finance may request an opinion from the office responsible for providing expert advice on public procurement, regarding the readiness of the project and the project documentation related to the law governing public procurement.

After consideration and analysis in accordance with paragraph 5 of this article, the Ministry of Finance issues an opinion on the readiness of the capital project for implementation, which serves as material for the session of the Subcommittee and the Commission.

A capital project related to the construction and capital maintenance of buildings and infrastructure is considered prepared when the preparatory actions from Article 23 have been undertaken. this regulation, the necessary documentation prescribed by the law governing planning and construction has been prepared and obtained, and the project is ready for the public procurement procedure in accordance with the law governing public procurement.

A capital project related to investment in equipment, machinery, and other non-financial assets is considered prepared when the preparatory actions from Article 23 have been undertaken. this regulation and when the project is ready for the public procurement procedure in accordance with the law governing public procurement.

Selection

Article 25.

Selection is a part of the preparatory phase of the project cycle during which the Commission, based on prescribed criteria, assesses the readiness of a capital project for implementation and prioritizes them.

The Ministry of Finance prepares a draft list of ready projects in PIMIS, and the order of the draft list is determined based on the criteria from Article 26, paragraph 2 of this regulation.

The proposed list of prepared projects contains the name of the proposed prepared project, the authorized proponent, the estimated project costs, as well as the sources of funding.

The Ministry of Finance submits the proposed list of prepared projects, along with the materials for the session, to the Subcommittee for consideration.

The subcommittee reviews the proposed list of prepared projects within its jurisdiction and, in this regard, provides an opinion that serves as material for the Commission's meeting.

The Ministry of Finance submits to the Commission a proposed list of prepared projects, along with the meeting materials, for the review, decision-making, and prioritization of capital projects.

List of prepared projects

Article 26.

At its meeting, the Commission reviews the proposed list of prepared projects and the submitted materials, and, based on the conditions of Article 24, paragraphs 9 and 10 of this regulation, decides which proposed prepared projects will be included on the list of prepared projects.

With regard to the prepared projects that have been adopted on the list of prepared projects in accordance with paragraph 1 of this Article, the Commission carries out prioritization based on:

- 1) economic and financial criteria;
- 2) governance and social criteria;
- 3) ecological criteria;
- 4) priority areas of development defined by public policies and planning documents, in accordance with the law governing the planning system.

The prioritization of capital projects, as per paragraph 2 of this article, determines the priority for the financing and implementation of projects on the list of prepared projects.

The unified list of prepared projects is a list of all capital projects that have been adopted on the list of prepared projects, for which the implementation phase of the project cycle has not yet been initiated (hereinafter: the unified list of prepared projects).

The Commission may, at a meeting, re-prioritize capital projects that are on the single list of prepared projects, in accordance with the criteria prescribed in paragraph 2 of this article.

The Minister of Finance shall further prescribe the criteria for prioritizing capital projects from paragraph 2 of this article.

3. Implementation phase

Project Implementation

Article 27.

Project implementation is the part of the project cycle during which all actions and activities necessary for the construction, reconstruction, and maintenance of facilities, or the procurement and investment in equipment, are undertaken, machinery and other non-financial assets, and during which the Ministry of Finance continuously monitors and analyzes whether the project implementation is carried out in accordance with the defined implementation plan.

During the project's implementation, construction and other work are performed for the purpose of building, reconstructing, or maintaining the facility, contracts for the procurement of goods and services are concluded, and the execution of the concluded contracts is carried out.

To define the timeline and costs required for the implementation of the capital project, the authorized proponent is required to prepare a capital project implementation plan on Form 4 (hereinafter: the implementation plan).

The implementation plan contains data and information on the capital project's timeline, which is a chronological overview of the planned actions and activities needed to implement the project, as well as the financial aspect, which includes a projection of the costs required to carry out the planned actions and activities.

The authorized proponent is required to prepare and submit the implementation plan to PIMIS by the end of the calendar year in which the project is included on the list of prepared projects.

In order to continuously monitor the implementation of the capital project, the authorized proponent is required to prepare a report on the project's progress every three months on Form 5, and submit it to the Ministry of Finance via PIMIS. (hereinafter: progress report).

If a capital project is financed in whole or in part with funds from the European Union, the authorized applicant is required to report on the implementation of the capital project to the Ministry of European Integration, in accordance with regulations governing the management of European Union pre-accession assistance programs.

The progress implementation report contains data and information on the actions taken, activities, and funds spent during the reporting period, as well as data on any deviations from the implementation plan during the reporting period.

The Ministry of Finance continuously monitors the implementation of the capital project based on the data and information contained in the implementation plan, comparing it with the data and information periodically submitted through progress reports.

The Ministry of Finance determines, by analyzing key performance indicators, whether the capital project is being implemented in accordance with the implementation plan.

The key performance indicators from paragraph 10 of this article are the defined criteria and indicators that enable the monitoring of a capital project's implementation with respect to the planned timeline, project

costs, and other circumstances relevant to the project's execution.

The authorized proposer is obligated to notify the Ministry of Finance without delay of all facts and circumstances that may lead to a deviation from the implementation plan.

The Minister of Finance shall further prescribe the procedure for monitoring the implementation of the capital project, as well as the method for determining and the procedure for analyzing key performance indicators.

Correction of the implementation plan

Article 28.

The adjustment of the implementation plan is part of the implementation phase of the project cycle, which is initiated if the analysis of key performance indicators from Article 27 of this regulation indicates that the capital project is not being implemented in accordance with the implementation plan.

The Ministry of Finance notifies the authorized proponent in writing that an analysis of key performance indicators has determined that the capital project is not being implemented in accordance with the implementation plan, and thereby initiates the procedure for correcting the implementation plan.

Upon receipt of the notification from paragraph 2 of this article, the authorized applicant is required to submit to the Ministry of Finance:

- 1) the reasons for the capital project's deviation from the implementation plan, with an explanation and evidence supporting the claims of the authorized proponent;
- 2) the proposed amended implementation plan on Form 4 (hereinafter: the amended implementation plan).

The documentation referred to in paragraph 3 of this article shall be submitted by the authorized applicant to the Ministry of Finance via PIMIS.

The Ministry of Finance submits the documentation from paragraph 3 of this article to the Commission for review and decision.

If the Commission determines at a meeting that it is justified to implement the capital project in accordance with the amended implementation plan, it shall adopt a decision on the correction of the implementation plan, which shall be submitted to the Ministry of Finance and the authorized proponent.

After the decision on the correction of the implementation plan is delivered to the authorized proponent, the capital project is implemented and monitored in accordance with the amended implementation plan, applying the provisions of Article 27 of this regulation.

Rationalization of the project

Article 29

Project rationalization is part of the implementation phase of the project cycle, initiated when it is determined that it is not justified and purposeful to continue with the capital project in accordance with the revised implementation plan.

Upon the submission of the documentation from Article 28, paragraph 5 of this regulation, the Commission makes a decision on the rationalization of the capital project at its meeting, if it determines that it is not justified and purposeful for the capital project to be implemented and monitored in accordance with the amended implementation plan.

By a decision in accordance with paragraph 2 of this article, the Commission also decides on the manner of rationalization of the capital project, which may be carried out:

- 1) by postponing the project;
- 2) by canceling the project.

The Commission decides on the method for rationalizing the capital project based on the projected timeline for project implementation, the impact of the project's costs on public funds and the budgetary system, and the significance of the capital project, which is determined based on the project prioritization criteria from Article 26. of this regulation.

The postponement of a project under paragraph 3, item 1 of this article involves a temporary suspension of the capital project's implementation due to circumstances that make its implementation difficult, as well as the resumption of the project's implementation after those circumstances are resolved or cease to exist.

The authorized proposer proposes to the Ministry of Finance the continuation of the implementation of the deferred capital project, and attaches to the proposal the amended implementation plan from Article 28 of this regulation.

The Ministry of Finance shall submit the documentation from paragraph 6 of this article to the Commission for consideration and decision-making.

If the Commission determines at its meeting that it is justified to continue the implementation of the deferred capital project in accordance with the amended implementation plan, it shall adopt a decision on the continuation of the capital project's implementation, which shall be submitted to the Ministry of Finance and the authorized proponent.

After the decision to continue the capital project is delivered to the authorized proposer, the project is implemented and monitored in accordance with the amended implementation plan, applying the provisions of Article 27 of this regulation.

The cancellation of a project under paragraph 2) of paragraph 3 of this article entails the suspension of the capital project's implementation and its deletion from the unified list of prepared projects, due to the occurrence of circumstances that make the implementation of the project impossible or significantly more difficult, and which cannot be eliminated or would be unreasonable to eliminate.

Following the Commission's decision to terminate the project, the authorized proponent is required to prepare and submit a capital project termination report to PIMIS.

The provisions of this article shall not apply to capital projects that are fully or partially financed from European Union funds.

The Minister of Finance further prescribes the procedure for the rationalization of a capital project.

Project completion

Article 30.

The completion of the project represents part of the capital project implementation phase, which involves reporting on the actions and activities taken, as well as the funds spent during the preparation and implementation of the capital project.

Within 60 days from the date of the completion of the project referred to in Article 27 of this regulation, the authorized proponent prepares and submits a final report on the completed capital project to the Ministry of Finance, on Form 6.

Upon receipt of the report referred to in paragraph 2 of this article, the Ministry of Finance notifies the Commission of the completed capital project.

Evaluation of the effects of a completed capital project (ex-post evaluation)

Article 31.

The evaluation of the effects of a completed capital project, as part of the project implementation phase, is the final part of the project cycle, which involves a subsequent analysis of the results and effects achieved by the completed capital project.

The evaluation of the effects of a completed capital project involves comparing the planned objectives of the capital project with the achieved results and realized effects, which allows for a subsequent assessment of the project's success.

When evaluating the effects of a completed capital project, special analysis is given to its impact on social and community conditions, public funds and the budgetary system, as well as its environmental consequences, which include the project's implications for the environment and climate change.

The assessment of the effects of the completed capital project is initiated by the authorized proponent, who prepares and submits a report on the effects of the capital project to PIMIS.

The report on the effects of the capital project is submitted three years after the project's completion, or after the submission of the final report on the capital project conducted, as per Article 30, paragraph 2 of this regulation.

The Ministry of Finance submits a report on the effects of the capital project to the Commission.

The Minister of Finance further prescribes the procedure for evaluating the effects of a completed capital project.

IV. PRE-FEASIBILITY STUDY AND FEASIBILITY STUDY, PRE-CONSTRUCTION STUDY AND CONSTRUCTION STUDY

Previous Feasibility Study and Feasibility Study

Article 32.

For the purpose of adequate preparation of the capital project, The authorized proponent prepares a

preliminary feasibility study and a feasibility study for capital projects for which, in accordance with the law governing planning and construction, a preliminary feasibility study and a feasibility study are prepared, and submits them in accordance with the provisions of this regulation.

The content, scope, method of preparation, and drafting of the preliminary feasibility study and the feasibility study are governed by the relevant provisions of the law and other regulations governing planning and construction.

With regard to capital projects that are fully or partially financed by donations, transfers, financial assistance, or funds from the European Union, international institutions and organizations, or other states, for which a preliminary feasibility study and a feasibility study are prepared in accordance with European Union regulations or the rules of the funder, it is not necessary to prepare a preliminary justification study and a justification study in accordance with paragraph 1 of this article.

Preliminary feasibility study and feasibility study

Article 33.

For state capital projects for which a preliminary feasibility study and a feasibility study are not prepared in accordance with the law governing planning and construction, the authorized proponent prepares a preliminary feasibility study and a feasibility study.

For the purpose of conducting the procedure for evaluating a state capital project, along with a preliminary feasibility study and a feasibility study, or a preliminary feasibility study and a feasibility study, which are prepared in accordance with the provisions of this regulation, a cost-benefit analysis of the capital project is also submitted.

The Minister of Finance shall prescribe the content, scope, and method for preparing and drafting the preliminary feasibility study and the feasibility study under this article, as well as the content, method for preparing, drafting, and submitting the cost analysis under paragraph 2 of this article.

V. Provincial and Local Capital Projects

Applicable application

Article 34.

The provisions of this regulation shall apply mutatis mutandis to provincial capital projects and local capital projects, unless otherwise provided for in Articles 35 to 40 of this regulation.

Participants in the project cycle of provincial capital projects

Article 35.

The provisions of this regulation that prescribe the powers and duties of the Ministry of Finance within the project cycle shall apply mutatis mutandis to the provincial authority competent for finance for provincial capital projects. The Provincial Capital Projects Commission (hereinafter: the Provincial Commission) is established by the Provincial Government, which also determines its composition.

Members of the Provincial Commission are appointed from among the persons who constitute the

Provincial Government.

The Provincial Commission for Provincial Capital Projects performs the duties of the Commission prescribed by this regulation, except for duties prescribed to be performed exclusively by the Commission and duties that, in accordance with the provisions of this regulation, do not fall within the jurisdiction of the Provincial Commission.

The Provincial Commission adopts a rules of procedure that further regulates its manner of work and decision-making.

The professional and administrative-technical work of the Provincial Commission is performed by the provincial secretariat responsible for finance.

Participants in the local capital project project cycle

Article 36.

The provisions of this regulation that prescribe the powers and duties of the Ministry of Finance within the project cycle shall apply mutatis mutandis to the body responsible for finance of the local government unit for local capital projects.

The Local Capital Projects Commission (hereinafter: the Local Commission) is established by the local government unit and is composed of a chairperson and two members.

The municipality, as a unit of local self-government, establishes a Local Commission composed of the mayor, by virtue of the office they hold, as well as two members of the municipal council appointed by the municipality.

The city, as a unit of local self-government, establishes a Local Commission composed of the mayor, by virtue of the office they hold, as well as two members of the city council appointed by the city.

The Local Commission for Local Capital Projects performs the duties of the Commission prescribed by this ordinance, except for duties prescribed to be performed exclusively by the Commission and duties that, in accordance with the provisions of this ordinance, do not fall within the jurisdiction of the Local Commission.

The local commission adopts a rules of procedure for its work, which further regulates its manner of operation and decision-making.

The professional and administrative-technical work of the Local Commission is performed by the municipal administration, or the city administration.

Reporting on Provincial and Local Capital Projects

Article 37.

The Provincial Commission and the Local Commission are required to submit a report on their work to the Ministry of Finance every six months, containing basic data on capital projects within their jurisdiction, and in particular:

- 1) a list of project ideas;

- 2) the list of projects in preparation;
- 3) a list of prepared projects;
- 4) decisions on the correction of the implementation plan and the rationalization of the project.

Contents of project documentation forms

Article 38.

With respect to the project cycle for provincial and local capital projects, the project documentation templates from Article 17 of this regulation are applied.

The Minister of Finance, by an act issued pursuant to Article 17 of this regulation, which further prescribes the content, method of completion, and submission of project documentation forms, may prescribe special content for the forms of project documentation for local capital projects.

Joint Local Capital Project

Article 39

A joint local capital project is a local capital project jointly implemented by two or more units of local self-government (hereinafter: joint capital project).

The rights and obligations arising from a joint capital project are regulated by the local government units by mutual agreement.

The implementation of the project cycle for a joint capital project is the responsibility of the local government unit that is the primary user of the capital project or from whose budget the largest share of funds for the capital project is allocated.

If, based on the criteria from paragraph 3 of this article, it is not possible to determine which local government unit is competent to implement the capital project, the competence for conducting the project cycle for the joint capital project is determined by agreement.

Exceptions in the project cycle

Article 40.

The provisions of this regulation relating to the Subcommittee do not apply to provincial and local capital projects.

The provisions of this regulation relating to the Ministry of European Integration do not apply to provincial and local capital projects.

The provisions of this regulation relating to the assessment of the effects of a completed capital project do not apply to local capital projects.

The provincial authority competent for finance and the authority competent for finance of a local government unit do not have the powers related to the management of PIMIS under Article 9(2) of this regulation, except for the authority to grant access to and use of the PIMIS to authorized users when implementing provincial or local capital projects.

VI. PENAL PROVISIONS

Violations

Article 41.

A fine of 50,000 to 150,000 dinars shall be imposed as a misdemeanor on the responsible person of the authorized proposer, who:

- 1) acted contrary to the provisions of Article 9, paragraph 5 of this regulation;
- 2) acted contrary to the provisions of Article 13, paragraph 4 of this regulation;
- 3) acted contrary to the provisions of Article 24, paragraph 3 of this regulation;
- 4) acted contrary to the provisions of Article 30, paragraph 2 of this regulation;
- 5) acted contrary to the provisions of Article 31, paragraph 5 of this regulation.

A fine of 50,000 to 150,000 dinars shall be imposed as a misdemeanor on the responsible official of a local government unit who:

- 1) acted contrary to the provisions of Article 37 of this regulation;
- 2) acted contrary to the provisions of Article 44 of this regulation.

VII. TRANSITIONAL AND FINAL PROVISIONS

Ongoing Capital Projects

Article 42.

For capital projects that were not completed by the effective date of this regulation and were subject to the Regulation on Capital Projects (Official Gazette of the Republic of Serbia, No. 79/23), the project cycle shall continue in accordance with the provisions of this regulation.

Project documentation up to the establishment of PIMIS

Article 43.

Participants in the project cycle who are unable to apply PIMIS in accordance with Article 9 of this regulation, until PIMIS is fully established, shall submit project documentation in paper or electronic form, or by other suitable means.

Deadline for forming the local commission

Article 44.

The local government unit is obligated to establish a Local Commission in accordance with Article 36, paragraph 2 of this regulation, within 60 days from the date of its entry into force, and to notify the Ministry of Finance in writing.

Along with the notification from paragraph 1 of this article, the local government unit is required to submit to the Ministry of Finance the decision on the formation of the Local Commission.

Regulations

Article 45.

The regulations referred to in Articles 17 and 26 of this regulation shall be adopted within 30 days of the date this regulation enters into force.

Regulations under Articles 9, 27, 29, 31, and 33 shall be adopted within 90 days of the date this regulation enters into force.

Until the regulations referred to in paragraphs 1 and 2 of this article are adopted, the regulations adopted pursuant to the Decree on Capital Projects ("Official Gazette of the Republic of Serbia," No. 79/23) shall apply.

Termination

Article 46.

On the day this regulation enters into force, the Regulation on Capital Projects (Official Gazette of the Republic of Serbia, No. 79/23) is repealed.

Coming into force

Article 47.

This regulation enters into force on the eighth day from the day of its publication in the "Official Gazette of the Republic of Serbia."

05 number 110-8579/2026-1

In Belgrade, August 27, 2026

Government

President,

Prof. Dr. Djuro Matsut, s.r.