



**SIGMA**

**Support for Improvement in Governance and Management**

A joint initiative of the OECD and the European Union, principally financed by the EU

## **ASSESSMENT**

### **KOSOVO under UNSCR 1244<sup>1</sup>**

**2010**

## **POLICY-MAKING AND CO-ORDINATION**

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<sup>1</sup> In accordance with UN Security Council Resolution 1244/99, since June 1999 Kosovo has been governed by the UN Interim Administration Mission in Kosovo (UNMIK).

### ***Main Developments since the Last Assessment***

The change of government in Kosovo in early 2008 led to a considerable strengthening of the authority of the position of Prime Minister.

Government meetings are now convened at short notice, on different days of the week and at different times. This retrograde step hinders the provision of well-prepared, properly co-ordinated materials to the government. In contrast, most governments of EU Member States meet at a fixed day and time each week.

The government has submitted to the Assembly draft laws on the government, the civil service and state administrative bodies. The legislative framework that has been proposed by these draft laws would be clearer, more consistent, more detailed and in line with good European practice.

#### *Policy Co-ordination and the Prime Minister's Office (PMO)*

The Prime Minister has created a new Strategic Planning Office (SPO) that answers to his chief of staff. Its remit is to provide a stronger strategic framework for government budgeting; to encourage closer integration between the European Partnership Action Plan (EPAP), Medium-Term Expenditure Framework (MTEF) and government work plan; to advise on the strategic implications of proposals submitted to the government meeting; and to review strategically important issues. The creation of the SPO is a welcome step forward.

The government is revising its Rules of Procedure (RoP), *inter alia* to address the inadequate use of policy concept papers and the confusing impact assessment requirements, to clarify the roles of the Government Co-ordination Secretariat and the Office of Legal Support Services (both within the PMO), and to strengthen the government's annual work planning process.

A revised annual work plan now focuses more closely on the government's strategic priorities. Revised monitoring arrangements focus on concrete achievements. These two developments are leading progressively to greater consistency between the EPAP (which is itself being revised to simplify and clarify priorities), the MTEF, and the government's annual work plan. Although these developments are very positive, they should not be taken too far. A recent proposal to merge the EPAP and the annual work plan appears to be misguided, as these documents serve different purposes (one is a strategic plan, and the other an implementation plan), and the policy areas that they cover are not identical.

#### *Ministries*

The system for the appointment of permanent secretaries has effectively ceased to function pending the passage of new civil service legislation. Almost all ministries are led by departmental directors on temporary promotion. This arrangement is of importance to policy co-ordination as the government has decided not to create a system of ministerial committees, and therefore the weekly meeting of permanent secretaries plays a limited role in inter-ministerial co-ordination of proposals in advance of the government meeting, as is the case in many other countries.

Line ministries still have weak capacities in terms of policy development and law-drafting. A major programme of functional reviews has recently provided generally helpful recommendations related to the strengthening of policy-making capacities in line ministries. Ministries are progressively stabilising their "points of contact" for the annual work plan so that the PMO deals with the same person from one quarter to the next.

### *Management of European Integration*

In September 2008 European integration and donor co-ordination were merged into a single agency, which managed to quickly establish a more centralised, streamlined and proactive approach to these functions. In April 2010 this agency was upgraded to become the Ministry of European Integration (MEI), an indication that the government was taking the integration process more seriously. It remains to be seen how this integration process will operate in practice, since the new full-time minister critically depends on support from the Prime Minister to achieve successful horizontal EI co-ordination.

An Inter-Ministerial Committee for European Integration (ICEI), a Working Committee on European Integration (WCEI), and six working groups responsible for sectoral policies, standardisation and harmonisation have been set up. The working groups cover the following subject areas: governance (political criteria), economy (economic criteria), internal market, innovation, social cohesion, and agriculture and fisheries.

The MEI receives direct day-to-day managerial support under a twinning project. European integration offices have been created in line institutions. These offices need to be further strengthened in terms of managerial development and co-ordination, for which the twinning project has identified a number of support activities.

### **Main Characteristics**

In just a few years, Kosovo has laid the foundations for a good system of policy-making and co-ordination. The government's Rules of Procedure (RoP) for managing the policy system are coherent. The PMO has developed procedures and capacities to provide logistical and some substantive support to the government, including planning and monitoring. The weekly meeting of permanent secretaries provides some co-ordination, and procedures for providing information to the public are in place. There is a rudimentary system for fiscal impact assessment and regulatory impact assessment.

Capacities for policy-making and co-ordination in the PMO, Ministry of Finance and Economy (MFE) and MEI continue to improve, but still need significant development and upgrading. The new SPO is welcome but, with only five budgeted posts, the Office is small for its ambitious remit. Generally, strategic capacities within the government are limited. However, the key agencies – SPO, MFE, MEI, and the Government Co-ordination Secretariat (GCS) – are sensibly stressing the importance of working closely together to maximise the value to be gained from existing structures and processes.

The existing procedures surrounding the government meeting are adequate in principle, but the unpredictable timing of the meetings and the abbreviated time horizons prevent the RoP from being properly implemented. Fiscal impact assessment arrangements, although adequate on paper, are weakly enforced by the MFE.

Significant weaknesses remain in policy development and in law-drafting capacities in ministries, which generally cannot prepare concept papers, conduct impact assessment or draft legislation of an acceptable quality. Consultation processes, both inter-ministerial and (particularly) with civil society, need improvement.

### **Reform Capacity**

The main trends are positive, but this is mainly due to developments at the centre of government, in particular the discernible tendency of the PMO, MFE and MEI to work more closely together. The senior management level within the PMO is committed to continuing the strengthening of policy management, e.g. by establishing strategic capacity within the PMO and by increasing the role of the weekly meeting of permanent secretaries.

Revision of the RoP should clarify the respective roles of the Office of Legal Support Services and the Government Co-ordination Secretariat (both within the PMO), which is of particular importance. The latter in particular should progress from its relatively minimalist role in co-ordinating government business to a proactive role of policy management. This enhanced role of the GCS would be greatly assisted if the government meeting were held on a fixed day every week.

The new system of permanent secretaries should enable them to take a more active role in the co-ordination of policy for the government meeting, but they will require considerable support from the PMO to do so. A prior requirement will be the development of the Ministry of Public Administration's capacity to ensure that the new system of permanent secretaries is successfully inaugurated and managed from the personnel point of view.