



SIGMA

Support for Improvement in Governance and Management

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ASSESSMENT

SERBIA

2010

POLICY-MAKING AND CO-ORDINATION

Main Developments since the Last Assessment

In the area of policy-making and co-ordination, the main change has been a growing commitment to reform, and some initial steps were taken, with the support of a DFID project. In practice, however, there have not been significant concrete developments in the two years since the last assessment. The General Secretariat of the Government remains weak in terms of its competences and capacity to manage the policy system.

General Secretariat

The new government, elected in May 2008, recognising the deficiencies of the system and appreciating the validity of the recommendations contained in Sigma's assessment report, initiated the reform of its policy-making and co-ordination system. In late 2008, it established the Department for Planning Monitoring and Policy Co-ordination (DPMPC), headed by the Assistant Secretary General. The creation of this department was meant to be the first move towards changing the role of the General Secretariat from a mainly administrative body to the focal point for policy-making and co-ordination, and an agenda for reform was agreed with the main stakeholder institutions within the government. However, the new department is still far from being fully staffed. By and large, the staff of the department have been remunerated (at civil service wage rates) by the DFID project, which has been assisting in the development of the General Secretariat since September 2009. This project is scheduled to end on 31 October 2010, and at the time of writing it is far from certain that the 10 staff members who were hired through the project will continue to work after that date.

There have been some improvements in the preparation of the Annual Plan through the introduction of a better IT system, but the process is still essentially a bottom-up process. There are plans to develop a more strategic approach over the next year or two, and experts have been engaged to help achieve this goal. It remains to be seen whether these efforts will actually lead to concrete changes. Two useful developments resulting from the new IT system are postponement of the review of materials received after the deadline specified in the government work plan to the following government session, and regular reporting by the DPMPC to the Prime Minister on the degree to which ministries are complying with those deadlines. These measures are useful as initial first steps towards establishing a more disciplined system.

In terms of monitoring, this year's report on the work of the government (in 2009) does not constitute a great improvement over previous years, and it is still not truly a "monitoring report", as it does not show performance in comparison with the work plan. An improvement of the monitoring process is foreseen for the report on the government's work in 2010, as the planning software will allow annual as well as quarterly and ad hoc reports on performance compared to the work plan.

Ministries

In October 2008, the Government of Serbia adopted its Regulatory Reform Strategy for the period 2008-2011. The strategy provided for activities in four main areas:

- Elimination of redundant and unnecessary regulations;
- Strengthening of regulatory impact assessment (RIA);
- Development of tools to maintain the quality of the regulatory environment at both central and local levels;
- Development of a tool to co-ordinate regulatory activities.

In practice, however, not much has changed. The quality of RIA carried out by ministries has not improved significantly, and RIA has not been integrated into the overall process of preparing policy and providing useful information to ministers.

Management of European Integration

A few minor improvements have been made in the management of European integration.

The Serbian Office for European Integration (SOEI) has increased its staff from about 35 in 2008 to 45 at the present time. The SOEI now submits a monthly progress report to the government. This report refers to both the National Plan for EU Integration (NPI) and the European's Commission's Progress Report, and it covers harmonisation and institution-building for implementation of the *acquis communautaire*. There are plans to move the Development and Aid Co-ordination Unit (DACU) from the Ministry of Finance to the SOEI in the near future.

EI units in ministries have been maintained or strengthened, despite the staff cuts across the government. IPA units have been established in all relevant ministries. As from 1 June 2010, ministries will be required to submit a "concordance table" with all draft laws, and later this year with secondary legislation as well.

Main Characteristics

The essentials of the policy-making and co-ordination system remain weak. There is in effect no centre of government, and the weak constellation of units at the centre lacks capacity for policy review, strategic thinking and effective work planning. The key requirements of the Government Rules of Procedure relating to interministerial consultation on draft laws are usually disregarded, and consequently much of the legislation that is passed is flawed and partially ineffective, and interministerial disagreements in fact remain unresolved.

On the positive side, the understanding of the need for improved policy-making and co-ordination has increased since the last assessment, and some initial concrete steps have been taken to improve work planning and to introduce strategic planning. However, most of the changes under discussion within the General Secretariat of the Government are still at the "promise" rather than the "performance" stage and depend on the creation of sufficient capacity, which as shown below, is problematic. The main obstacle to progress is still to be found at the political level.

Reform Capacity

As mentioned above, the project to support the development of the General Secretariat will expire on 31 October 2010. The General Secretariat is currently investing significant efforts in order to secure other donor sources so as to carry the reform through its future stages. An IPA fiche for 2011 has been developed and submitted to the EC, but since the funds will not be available until 2012, there remains a gap to be bridged through bilateral donor funding.

It is not likely that this reform will progress without further assistance. The commitment to reform is evident at the senior staff level but is far from certain at the political level. Without political support, the reform is not likely to result in significant improvements in the management of the policy system in Serbia.