

5 RECOMMENDATIONS

NB: Detailed recommendations are given in the operational sections of the report. This section makes general, strategic recommendations and suggests priorities.

5.1 For the Government of the Republic of Croatia:

The process of accession to the European Union will require the development and amendment of a very large number of laws and subsidiary pieces of legislation, in order to bring Croatia's legal framework into line with the *acquis*. It will therefore be essential for Croatia to put in place an effective **system for the development of policies** and analysis of their legal, financial, social and environmental implications and to ensure that legal norms are capable of being implemented, justiciable, budgetarily feasible, efficient and sustainable for the economy

Operational recommendations

1. *Strengthen and institutionalise* the inter-ministerial consultation mechanisms;
2. *Establish and staff* a central policy co-ordination and analysis unit;
3. *Create and staff* policy development and co-ordination units within each line ministry.

The **expenditure planning and management system** is in need of overhaul to enable the government to improve its allocation and use of resources and to support policy making. Reorganisation of the Ministry of Finance, together with enhancement of budget preparation and execution processes (including procurement) – in both the Ministry of Finance and line ministries – and restructuring and modernisation of public debt will be required, as well as a substantial staff recruitment and training programme to ensure that the changes are sustainable. The annual budget process is one of the most effective mechanisms for bringing about public administration reform and is also necessary to finance the reforms.

Operational recommendations

1. *Review* the budgetary system and draw up a development plan encompassing all stakeholders in the process;
2. *Recruit* additional staff for key areas;
3. *Develop* an agreed, enforceable budgetary process and provide government endorsement to it
4. *Establish and staff* the PPO and Review Commission with adequate resources, and use the new PPO to plan further, including legal, reform.

To support these recommendations, and in order for the Croatian public administration to function more effectively and apolitically, it will be necessary to reinforce the **administrative justice** system, and the service conditions for **public service staff** including salary scales, appointment and promotion procedures and structures to provide a Civil Service that is both more competitive with the private sector, and which is based on the merit principle.

Operational recommendations

1. *Adapt and implement* the administrative legal framework, in particular the Administrative Procedures legislation, to common EU standards;
2. *Adapt and implement* civil service and public service legislation which values performance and professionalism;
3. *Create* a training facility to provide training in topics related to general management (horizontal) systems, such as policy analysis and evaluation, financial management and control, human resource management;
4. *Create* an administrative justice system in line with European standards which can ensure the accountability of the administration.