

National Study of Policy Coordination Processes in Serbia



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Executive Summary

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The Regional School for Public Administration (ReSPA), as the inter-governmental organisation for enhancing regional cooperation, promoting shared learning and supporting the development of public administration in the Western Balkans, helps governments in the region develop better public administration, public services and overall governance systems for their citizens and businesses, and prepare them for membership in the European Union (EU). ReSPA Members are Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, and Serbia, while Kosovo* is a beneficiary.

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The reform of the policy management system in Serbia has been ongoing since the start of the democratic transition and has been intensified in the past seven years, since the formation of the Public Policy Secretariat as a special organisation at the centre of the government. Yet, important challenges remain to be addressed, many of which are currently being addressed by the developing strategic framework in this area, under the umbrella of the Public Administration Reform Strategy. This study aims to assess the current state of play in the policy coordination sphere in Serbia, based on the framework provided by a regional analytical paper prepared by the Regional School for Public Administration (ReSPA).

At present, considering that the legal framework is quite developed and that the key functions of a sound policy management system are all performed by existing institutions, Serbia has solid preconditions for quality policy coordination and overall policy management. In fact, this area is in continuous development and further plans for improvement are made based on the assessments of deficiencies and problems from the implementation of previous strategic documents.

In terms of policy planning, most elements are already in place or under development. In particular, the top-down Action Plan for the Implementation of the Government Programme and the bottom-up Government Annual Work Plan (GAWP) have become embedded in the system, complemented by the programme budget and the National Plan for the Adoption of the Acquis. Moreover, the annual plans should stem from the mid-term plans and using the adopted mid-term planning methodology, which formally establishes the preconditions for a harmonised planning system. Yet, these planning processes have not yet been fully integrated and are currently creating administrative burden and planning gaps, that are yet to be addressed. Reporting on these documents is not fully consistent and, in some cases, is not public, which negatively affects the overall system. As the strategic framework currently being developed (in particular the Draft Programme for the Improvement of Policy Management and its Action Plan) addresses these challenges, conditions are being created for tackling them. An important tool that was recently introduced to support the creation of an integrated policy planning system is the Unified Information System (UIS), which is planned to become integrated with the information system for the development of the GAWP, too. The true results of its introduction are therefore not yet fully visible.

With regards to policy coordination per se, some of the elements are in place, but the institutional and procedural setup is not such that it ensures the effectiveness of the system. The General Secretariat of the Government, as the key centre-of-government institution responsible for policy coordination, performs the basic duties of organising and preparing government sessions. Yet, it performs its quality assurance role from the perspective of procedural compliance, without assessing the quality and mutual compliance of acts proposed for Government decision making. This role is entrusted with the Public Policy Secretariat, which performs checks for draft laws and strategies with regards to their compliance with the strategic framework in place and controls the quality of impact assessments for all acts. Yet, the PPS has at its disposal a suboptimal tool for performing this function. Namely, unlike the GSG which can directly return a proposed item to a sponsoring ministry in case it does not comply with the requirements of the Government Rules of Procedure, the PPS can only issue a written opinion

as a corrective measure. Just like the other CoG bodies (the Legislative Secretariat, Ministry of Finance and Ministry of European Integration), it does not have the direct power to prevent a non-compliant act from reaching the government session. Like all other written opinions, the opinion of the PPS can be disregarded by the sponsoring ministry, which only needs to provide an explanation as to why it has not adjusted its proposal with the received comments and objections (same as with those of any other state administration authority that it must consult in the inter-ministerial consultation process). This trait of the Serbian system effectively brings down the role of the CoG institutions that provide written opinions to the same level as the role of any other line ministry that needs to be consulted. Moreover, while the opinions of the LS and MoF have traditionally become *de facto* binding (i.e. an act can only exceptionally reach the Government session without their positive opinions), the PPS, as a recently created institution, has not yet reached that standing in the system. The overall functioning of the CoG is also undermined by the lack of coordination mechanisms and structures among the institutions that comprise it, although *ad hoc* coordination in the preparation of opinions and in the planning processes does take place.

Horizontal inter-ministerial consultations are also present in the Serbian policy coordination system, through the form of inter-sectoral working groups created to develop policies and legislation as well as through the collection of written opinions at the end of the policy and legislative drafting process. Both of these approaches are well developed in the Serbian administrative culture. Although a voluntary mechanism, formation of working groups to develop policy and legal proposals has become a widely spread practice. The working groups usually gather a number of relevant ministries, as well as some of the CoG institutions. Yet, their effectiveness in the policy coordination sense is undermined by the lack of procedural clarity on the role of institutions’ representatives, which makes it possible for institutions involved in the working groups to later block or demand significant changes in the draft proposals that emerge from their work. Moreover, working groups often get formed too late in the policy process, once the key policy directions are already decided, which undermines their policy coordination potential. Unlike the working groups, the process of collecting written opinions on draft policy and legislative proposals is obligatory and checked by the GSG which can return proposals that have not acquired the written opinions of all relevant institutions, in line with the GRoP requirements. The problem with the effectiveness of the written opinions as a tool for policy coordination lies in the lack of limitation of their scope. More specifically, an opinion that is provided at the very end of the policy development process can question the very fundamental questions of a policy or legislative proposal, which can be highly inefficient at a stage when much human and other resources have already been spent to develop a proposal.

When it comes to the present plans for the improvement of the system of policy coordination, based on the PARS and the Draft Programme for the Improvement of Policy Management and Regulatory Reform, the main deficiency is their failure to address the problems of policy coordination at the centre of government. Knowing that in the Serbian system to date the daily decision making is not fully led by the policy plans and strategies, it is hard to imagine that the creation of a solid planning system alone will ensure proper policy coordination. Therefore, the failure to improve the actual policy coordination will be as large as the gap between the formal planning processes and the actual decision-making by the Government.

Based on the assessment of the current situation and the lessons learnt from the coordination of two complex, multi-sectoral policies – public administration reform and public finance management – this study offers a set of short-term and medium-term recommendations. These recommendations build on the plans set out by the existing strategic framework and encourage its full implementation.

Table of Contents

Executive Summary 3

Table of Contents..... 5

List of Acronyms 6

1 Introduction: Background and Purpose7

1.1 The impetus for reforming the policy management system8

1.2 The EU Accession Framework: SIGMA/OECD Principles for Policy Coordination8

2 Serbia’s present policy coordination system..... 11

2.1 The Legal framework..... 11

2.2 Institutions and functions at the centre of government..... 13

2.3 The Government’s planning system 16

2.4 Decision-making at the Government level 18

3 Case studies: Policy coordination for public administration reform and public finance management21

3.1 Public Administration Reform Strategy 2021-2030 21

3.2 Public Finance Management Reform Programme (PFM RP) 2021-2025 24

3.3 The PAR and PFM coordination structures in the overall policy coordination at the centre of Government..... 26

4 State of play, strengths and weaknesses of the policy coordination system.....29

4.1 Strengths of the Current System..... 29

4.1.1 Legal and institutional setup 29

4.1.2 Process and procedural strengths..... 30

4.2 Assessment of the weaknesses of the current system..... 32

4.2.1 Centre-of-government institutions’ roles and responsibilities.. 32

4.2.2 The policy planning system..... 33

4.2.3 The policy coordination system 35

5 A look into the future: plans for the improvement of the policy coordination system.....39

5.1 Draft Programme for the Improvement of Policy Management and Regulatory Reform with accompanying Action Plan 2021-2025 40

6 Recommendations.....43

6.1 Short-Term Recommendations 44

6.2 Medium-term recommendations..... 46

Bibliography:..... 49

List of Acronyms

	Explanation
APIGP	Action Plan for the Implementation of the Government Programme
CoG	Centre of Government
CoM	Council of Ministers
DPM	Deputy Prime Minister
EC	European Commission
EU	European Union
GAWP	Government Annual Work Plan
GRoP	Government Rules of Procedure
GSG	General Secretariat of the Government
IMPG	Inter-ministerial Project Group
IPA	Instrument for Pre-Accession
LM	Line Minister
LPS	Law on the Planning System of the Republic of Serbia
LS	Legislative Secretariat of the Republic
MEI	Ministry of European Integration
MoF	Ministry of Finance
MPALSG	Ministry of Public Administration and Local Self-Government
MTP	Medium Term Planning
NPAA	National Programme for the Adoption of the Acquis
OECD	Organisation for Economic Cooperation and Development
OfM	Office for the Media
PARS	Public Administration Reform Strategy
PFM	Public Finance Management
PFM RP	Public Finance Management Reform Programme
PM	Prime Minister
PPS	Public Policy Secretariat of the Republic
ReSPA	Regional School of Public Administration
RIA	Regulatory Impact Assessments
SC	Steering Committee
SCTM	Standing Conference of Towns and Municipalities
SIGMA	Support for Improvement in Governance and Management
TS	Technical Secretariat
UIS	Unified Information System
WG	Working group

1

Introduction: Background and Purpose

Policy coordination system and procedures bear an immense significance for the functioning of any modern government. They are equally important for ensuring that the government functions efficiently and effectively within as they are for ensuring that the government delivers on its promises made to the public. With this realisation, ReSPA undertook a regional comparative analysis of the policy coordination systems in the Western Balkans, which serves as the analytical framework and provides a basis for this paper focussing on Serbia.¹

The purpose of this study is to provide an in-depth analysis of the policy coordination system in Serbia, relying on the framework provided by the abovementioned ReSPA’s regional analytical paper on the same issue. This study is particularly important for Serbia, compared to the rest of the region, as this country was not fully included in the comparisons within the regional paper, thus leaving a gap. Based on the analysis of the Serbian system, the study also provides a set of actionable recommendations for improving the present situation. This analysis is particularly significant in light of Serbia’s EU accession process, in which strong coordination of sectoral policies gradually gains importance.

This study has been developed using a combination of review and analysis of the existing reports and analytical documents referenced throughout the paper as well as interviews with representatives of the centre-of-government institutions and a discussion organised by the PPS in the scope of the public debate on the Draft Programme for the Improvement of Policy Management and Regulatory Reform.²

1 Kasemets, “Policy Coordination in the Western Balkans.”
2 The online discussion organised as part of the public debate on the Draft Programme for the Improvement of Policy Management and Regulatory Reform and Action Plan for the period 2021-2025 was held on 10 September 2021.

1.1 The impetus for reforming the policy management system

The reform of the policy management system in Serbia has been ongoing since the start of the democratic transition and has been intensified in the past seven years, since the formation of the Public Policy Secretariat as a special organisation at the centre of the government. Yet, important challenges remain to be addressed. As stated in ReSPA's regional analytical paper, "while the countries of the Western Balkans have taken important steps to establish basic legal and institutional frameworks for public administration reforms, there remains a need for more efficient implementation of reforms through stronger policy co-ordination."³ The paper calls for improved co-ordination of public policies among public administrative institutions.

The European Commission's reports on Serbia and OECD/SIGMA's regular assessments have over the years also pointed to a number of weaknesses in the policy coordination system in Serbia, particularly those that "persist due to the continuing focus on formal and procedural issues."⁴ Nevertheless, the impetuses for reforming the policy coordination system far outreach the need to advance the EU accession process. A sound policy coordination system contributes to high-quality policy and legislative output of the government as a collective body. Moreover, sound policy coordination contributes to the efficiency and effectiveness of the Government and helps ensure that limited national resourced are used in the most optimal ways. The standards, or principles, defined by OECD/SIGMA, under the auspices of the European Commission's DG NEAR, set out the directions for reforming the policy coordination system for all Western Balkans, Serbia included.

1.2 The EU Accession Framework: SIGMA/OECD Principles for Policy Coordination

Under the key requirement that the centre of government institutions fulfil all functions critical to a well organised, consistent and competent policy making system, SIGMA defines five principles:

Principle 1	Centre-of-government institutions fulfil all functions critical to a well-organised, consistent and competent policy-making system.
Principle 2	Clear horizontal procedures for governing the national European integration process are established and enforced under the co-ordination of the responsible body.
Principle 3	Harmonised medium-term policy planning is in place, with clear whole-of-government objectives, and is aligned with the financial circumstances of the government; sector policies meet government objectives and are consistent with the medium-term budgetary framework.
Principle 4	A harmonised medium-term planning system is in place for all processes relevant to European integration and is integrated into domestic policy planning.
Principle 5	Regular monitoring of the government's performance enables public scrutiny and support the government in achieving its objectives.

3 Kasemets, "Policy Coordination in the Western Balkans."

4 European Commission, "Serbia 2020 Report," p. 14.

The second requirement within the policy planning and coordination section is that government decisions and legislation are transparent, legally compliant and accessible to the public, as well as that the work of the government is scrutinised by the parliament. The two principles under that requirement are less connected with policy-coordination, although they are significant for the overall policy management system.

2

Serbia’s present policy coordination system

This section discusses the main elements of the current system for policy management in Serbia, including the legal framework, institutional setup, and the key processes already in place for the planning coordination of policies.

2.1 The Legal framework

Several major pieces of primary and secondary legislation regulate the system for policy development and coordination in Serbia. From the policy coordination perspective, the key pieces of primary legislation that determine the institutional framework and define relevant procedures for policy coordination are the Law on Government, the Law on Ministries, the Law on State Administration and the Law on the Planning System of the Republic of Serbia (LPS).⁵

The key systemic law which determines the competences and main elements of the functioning of the Government as the decision-making body, is the Law on Government, which has its basis in the Serbian constitution. It regulates the Government’s roles and procedures related to determining and leading the policy (Article 2) and overseeing and harmonising the work of state administration authorities (Article 8). It also establishes the General Secretariat of the Government, as the government service which supports and administers its decision-making processes.

⁵ Official Gazette of the RS no. 79/2005, 101/2007, 95/2010 i 99/2014. *Law on State Administration*; Official Gazette of the RS no.44/2014, 14/2015, 54/2015 i 96/2015. *Law on Ministries*; Official Gazette of the RS no. 55/2005-3, 71/2005-25 (correction), 101/2007-3, 65/2008-3, 16/2011-3, 68/2012-27 (CC), 72/2012-12, 74/2012-38 (CC - correction), 7/2014-3 (CC), 44/2014-12. *Law on Government*.

The Law on Ministries, which is adopted as the first new piece of legislation with each change of government,⁶ determines the division of competences among ministries and special organisations that it establishes. It is also the founding document of the Public Policy Secretariat of the Republic (PPS) and the Legislative Secretariat of the Republic (LS), the two special organisations that perform crucial functions within the policy coordination system. The Law on Ministries provides a very clear mandate for the PPS in the policy management system and clearly states its role in assuring the policy coordination processes.⁷

The Law on State Administration, in the chapter on tasks of state administration (Articles 12-21), defines that state administration authorities (which include ministries, administrative authorities within ministries and special organisations) prepare legal drafts and propose strategies and other measures to the Government for the purpose of shaping the Government policy. It also determines other tasks of state administration, including those related to monitoring of the state-of-play and developments within their areas of competence, execution/implementation of legislation and tasks related to facilitating and guiding developments, in line with Government policy.

The LPS is the newest piece of legislation, that was passed in 2018 as part of the ongoing reform of the policy management system.⁸ Championed by the PPS, this law for the first time set out the hierarchy and typologies of planning documents. From the perspective of policy coordination, probably the most important planning document is the Action Plan for the Implementation of the Government Programme (APIGP), which details and develops Government priorities and measures for all participants in the planning system based on Government priorities.⁹

Finally, the Law on the Budget System is also of relevance, as it regulates the process of medium-term budget framework development, the annual budget, as well as the necessity of preparing analyses of the financial effects of new policy and legal proposals on the budget.¹⁰

Concerning secondary legislation, there are several major acts that regulate policy coordination at the level of centre of government. Firstly, stemming from the Law on the Government, the Government Rules of Procedure (GRoP) define the details of organisational, functional and procedural aspects of the Government's work.¹¹ Next, the Bylaw on the General Secretariat of the Government (GSG) sets out the details regarding the competences, internal organisation and other pertinent issues for the work of this central institution servicing the Government as a collective decision-making body.¹² Furthermore, the bylaws stemming from the LPS are also of major importance both in the overall policy management system and in the policy coordination processes more strictly. The first bylaw sets out in detail the methodology for public policy management, impact assessment

6 This is the first law that gets passed by each new formation of the National Assembly of the Republic of Serbia.

7 Official Gazette of the RS. *Law on Ministries*. Article 38

8 Official Gazette of the RS. *Law on the Planning System of the Republic of Serbia*.

9 Ibid, Article 21.

10 Official Gazette of the RS, no. 4/2009, 73/2010, 101/2010, 101/2011, 93/2012, 62/2013, 63/2013 - correction., 108/2013, 142/2014, 68/2015 - oth. law, 103/2015, 99/2016, 113/2017, 95/2018, 31/2019, 72/2019 and 149/2020. *Law on the Budget System*. Articles 27v-d, 31-35, and 48.

11 Official Gazette of the RS, no. 61/2006 - consolidated text, 69/2008, 88/2009, 33/2010, 69/2010, 20/2011, 37/2011, 30/2013, 76/2014 and 8/2019. *Rules of Procedure of The Government of The Republic of Serbia*.

12 Official Gazette of the RS, no. 75/2005, 71/2008, 109/2009, 85/2012, 102/2013.

and consultation processes¹³ and contains certain provisions of relevance for policy coordination processes as well. These relate in particular to the provisions regulating the quality control procedures in the process of impact assessment for policy documents and draft laws and regulations (articles 47-52). The provisions of this bylaw regarding the Unified information system (UIS) (articles 72-72) also bare relevance for the policy coordination system. In addition, the Bylaw on the methodology for preparing midterm plans is important, as it sets out the methodology for ensuring consistent policy and budgetary planning at institutional level, as the basis for the Government's annual work planning.¹⁴

2.2 Institutions and functions at the centre of government

The institutional framework for policy coordination in Serbia can be defined in accordance with the basic centre-of-government functions that are defined by OECD/SIGMA principles (Principle 1, Policy development and coordination chapter):

1. Co-ordinating the preparation of the government sessions, including preparation of agendas
2. Co-ordinating activities to ensure legal conformity
3. Leading preparation and co-ordinating approval of the government's strategic priorities and work programme
4. Co-ordinating the policy content of proposals for government decision, including defining the policy preparation process and ensuring coherence with government priorities
5. Ensuring that policies are affordable and overseeing co-ordination of public sector resource planning
6. Co-ordinating government communication activities to ensure a coherent government message
7. Monitoring government performance to ensure that the government collectively performs effectively and keeps its promises to the public
8. Managing the relationship between the government and other parts of the state

In addition to the two main institutions already mentioned above – the GSG and the PPS – the listed functions are performed by a couple of other institutions, which therefore functionally belong to the centre of government. There are:

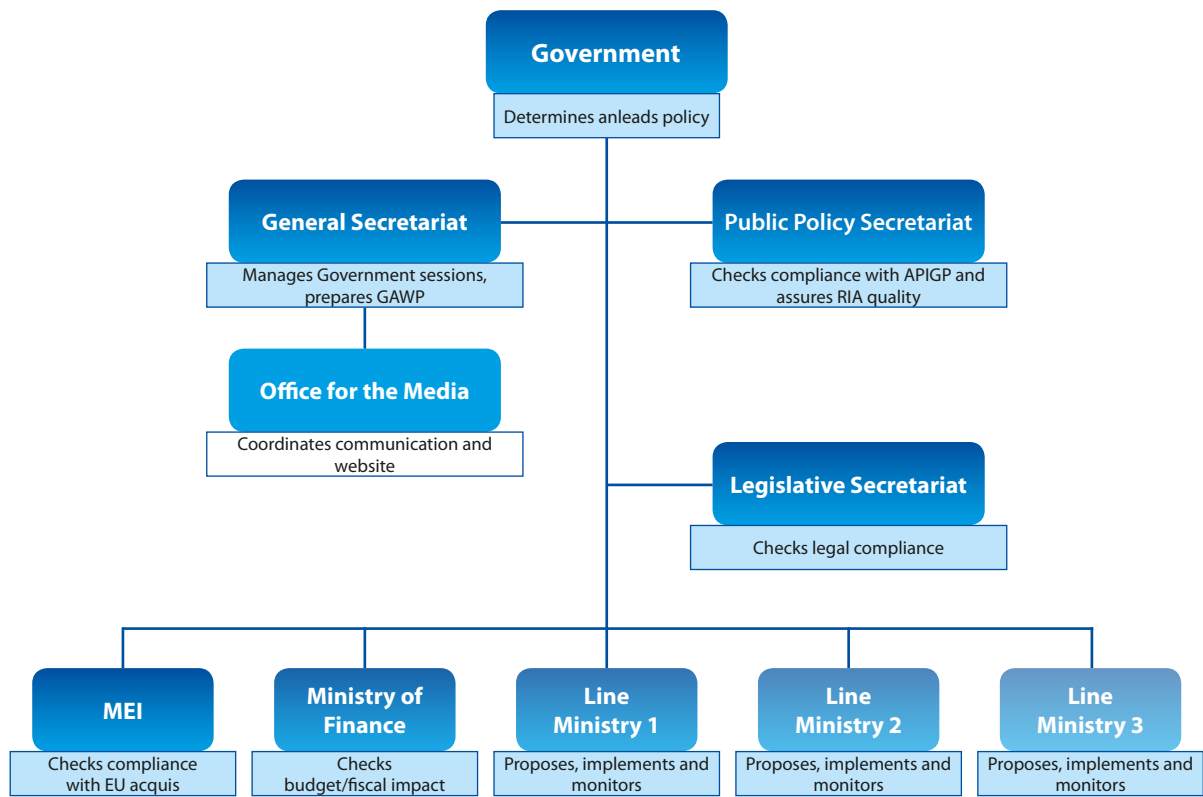
- The Legislative Secretariat of the Republic
- The Ministry of Finance (MoF)
- The Ministry of European Integration (formerly European Integration Office) (MEI)
- The Office for the Media (OfM)

13 Official Gazette of the RS, no. 8 from 8 February 2019. *Bylaw on the methodology of policy management, policy and regulatory impact assessment and the contents of individual policy documents*.

14 Official Gazette of the RS, no. 8/2008. *Bylaw on the methodology for the preparation of midterm plans*.

These institutions take part in the policy coordination system mainly by performing essential roles in the policy coordination processes among ministries. In the case of the OfM, the role is limited to the function no 6 above, i.e. co-ordinating government communication activities. Therefore, it bears no relevance for the system of policy coordination as such.

The general institutional setup for policy coordination at present is shown on the graph below.



Based on the Law on Government and Bylaw on the General Secretariat of the Government, the GSG is in charge of organising and managing the sessions of the Government. It is formally the institution to which all proposals for the Government agenda are submitted and which provides support services to both the Government and its committees (preparatory working bodies of the Government). The GSG also issues the instructions to the line ministries and coordinates the preparation of the Government Annual Work Plan (GAWP) and reports against it, based on proposals/plans of individual ministries. Based on these two functions, the GSG emerges as the key CoG institution of relevance for policy coordination, considering that it has the formal power to return to the sponsoring ministries the items which are not prepared according to the requirements.

All other institutions which comprise the Serbian CoG perform the bulk of their policy coordination functions through submitting written opinions on the specific aspects of the submitted items for the Government sessions. What differentiates these CoG institutions from all other ministries and administrative bodies that also issue written opinions, is the horizontal nature of their opinions, as well as (in some cases) the informal strength of their opinions in practice. Namely, the CoG institutions,

according to GRoP, issue opinions on all draft acts (sometimes with certain limitations pertaining to the types of acts) from the perspective of their specific remit, be it compliance with Government priorities, compliance with the Constitution and the law, with the state budget or the EU accession requirements and obligations. Moreover, although formally speaking all written opinions are equal in terms of power to prevent a draft from reaching a Government session, the opinions of two CoG institutions – the LS and MoF – are in practice stronger and can influence delays or even prevent a decision from being placed on the agenda.

In 2014, the Law on Ministries which defined the formation of the new Government, established the PPS as a new institution at the centre of government. In terms of its organisational form, it follows the LS, which although clearly a CoG institution, does not take the legal form of a government service (such as the GSG) but that of a special organisation. Setting aside the potential inconsistencies of the legal forms of the institutions at the CoG, the PPS has taken a strong lead role in furthering the reform of the policy management system in Serbia, including in the policy coordination system. The Law on Ministries now clearly enumerates the responsibilities of the PPS, both in terms of driving the improvement of the policy management system and in terms of assuring alignment of policy proposals and draft laws with the adopted policy documents.¹⁵ Its role in the planning and coordination procedures was initially operationalised through an amendment of the GRoP passed in 2014, giving it the competence to prepare and monitor the APIGP, and to issue opinions on all draft laws, proposals of strategies, and impact assessments.¹⁶ Later on, with the adoption of the LPS in 2018, its role was further strengthened and the relationship with the role of GSG in developing the monitoring of the GAWP was clarified.

Yet, the PPS still lacks a key function/competence of the CoG that the GSG formally possesses, which is the ability to return items proposed for the Government agenda. Rather, it provides an opinion to a sponsoring ministry on all items as part of the formal consultation process with Ministries. In that sense, its CoG function is formally not set on an equal footing with the GSG, although the PPS undoubtedly performs crucial CoG tasks. Even more so, the PPS implements its tasks from the substance point of view, as it supports the administration in the production and provides its opinion on the quality of strategic documents as well as compliance of laws and strategies with the Government priorities and the strategic framework in place. Moreover, it provides its opinions on whether regulatory impact assessment was properly conducted in the development of policy documents. On the contrary, the GSG's role mostly comes down to compliance checks as to whether the files submitted by sponsoring ministries are formally complete.

Legislative compliance checks are conducted by another special organisation – the Legislative Secretariat, which is formally established by the Law on Ministries – same as the PPS. The GRoP stipulates that all draft acts that are submitted for Government deliberation need to possess the opinion of the LS. This means that the LS has a CoG function similar to that of the PPS – a substantive one from the point of quality of legislation and alignment with the Constitution and the law. It executes this function in the same manner as the PPS, although the sheer length of its existence in the Serbian (and previously Yugoslav) legal and administrative system makes its opinions *de facto*

15 Official Gazette of the RS. *Law on Ministries*, Article 38.

16 Official Gazette of the RS. *Rules of Procedure of The Government of The Republic of Serbia*, Article 46, paragraph 6.

stronger than the PPS' opinions. A common saying in the administration is that nothing can pass the Government without positive opinions of the LS and the MoF.

The MoF also performs an important policy coordination function at the centre of government, as it issues opinions on the budgetary compliance of proposed acts. As mentioned, its opinions are in practice very powerful, and it can rarely happen that an act passes the Government without its positive opinion. In other words, only the issues decided at the highest political level can pass its budget check.¹⁷

As a candidate country for European Union membership, Serbia also must coordinate the accession process, which normally requires a specific coordination setup. Since 2016, this coordination system is led by the Ministry of European Integration, which took over the functions of the previously existing European Integration Office. This specific European integration segment has a strong link to the general policy coordination system, particularly via the link between the Government Annual Work Plan (GAWP) and the National Programme for the Adoption of the Acquis (NPAA) – the main policy planning document in the EI process. A low level of alignment between GAWP and the NPAA has been reiterated by EU¹⁸ and SIGMA¹⁹ reports over the years. Considering that the remit of the European integration policy coordination system is specific in comparison with the overall policy coordination system, this study does not go into deeper discussion of that system, other than recognising that MEI functionally belongs to the CoG, which is also recognised by OECD/SIGMA's methodology.²⁰

Based on the GRoP provisions pertaining to the previously existing European Integration Office of the Government, the MEI is now tasked with checking the compliance with the EU law through written opinions on draft strategies, laws, bylaws and EU-accession relevant decisions that are sent to the Government for deliberation (Article 46 GRoP). Although this is now a ministry, it continues to fulfil a role which belongs to the CoG. When it comes to draft laws and bylaws, MEI focuses on stating if the Statement of Compliance with EU law and the Tables of Concordance (with specific provisions of EU legislation) are filled out correctly by the sponsoring ministry. Yet, it seems that the procedure of issuing opinions by MEI is not being consistently implemented at present.

2.3 The Government's planning system

The current Government planning system comprises the preparation, monitoring and reporting on two key documents: the Action Plan for the Implementation of the Government Programme (APIGP) and the Government Annual Work Plan (GAWP). The Government Programme, based on the Constitution, is a political document, i.e. the Prime Minister's speech in the Parliament, so it cannot in itself be considered a planning document. Yet, since 2015-2016, as part of the reform of the policy planning and coordination system, it has become operationalised through the APIGP, in what can be

considered as the first successful attempt of primarily top-down policy planning and prioritisation in the Serbian government. The GAWP, which is developed in parallel for every calendar year in a more bottom-up process led by individual ministries and other administrative authorities, sets out the details of legislative activity across the entire government/state administration. Both documents have their legal basis in the GRoP (articles 76 and 79a respectively), with the GAWP defined in much more detail both in terms of the responsibilities and procedures for preparing and adopting it, and in terms of reporting against it. This disbalance was to an extent addressed by the LPS, which defines both documents and their mutual interrelation.²¹

The central responsibility for the development of the GAWP rests with the GSG, although this role is purely procedurally coordinative and lacks elements of content coordination. In that sense, the line ministries that develop their own annual work plans as a basis for the GAWP have a crucial role in the GAWP development process. Therefore, in a bottom-up planning process, the GAWP essentially constitutes a compilation of individual ministerial annual work plans, which is formally checked and coordinated by the GSG as the centre-of-government authority. The GRoP defines GAWP as a document which sets out the objectives and tasks of the Government, the objectives and tasks of state administration authorities as well as their expected results. As such, the GAWP is considerably larger in scope than a standard government work plan would be for any given year. The ministries' and other administrative authorities' individual plans are supposed to be produced using the mid-term planning methodology,²² which was finally adopted only in 2019 and is gradually being implemented across the administration. The GAWP itself is developed based on the instructions that the Secretary General of the Government issues on an annual basis. Reporting is also performed annually, with the GSG compiling the entire report from the reports submitted by individual administrative authorities, in a fully bottom-up manner. Based on the available GSG Instruction for preparing the GAWP for 2021, the administrative authorities use the Information System for Planning and Reporting also to report on the implementation of the GAWP.

In contrast with the GAWP, the APIGP is envisaged as a predominantly top-down policy planning document. According to the LPS, the APIGP is developed at the beginning of the mandate of a government (within three months from the day of its election in the parliament) for the duration of the entire mandate, but it is updated annually.²³ The APIGP details priority objectives of the government, measures of the various participants in the planning system grouped based on government priorities, implementation deadlines and expected results. It is developed by the PPS (as the administrative authority responsible for policy coordination), in cooperation with respective administrative authorities. The PPS also issues an instruction for developing the APIGP and specifies the structure and contents of the APIGP. The LPS also regulates the reporting on APIGP, which the PPS is to develop annually and submit to the Government for adoption. The basis for preparing the report are individual reports of administrative authorities, which are prepared specifically for this document, as well as reports on various policy documents, mid-term plans reports and other relevant sources.²⁴

17 Interview with a representative of PPS, July 2021.

18 European Commission, "Serbia 2020 Report," p. 14.

19 SIGMA, "Monitoring Report for Serbia 2017," p. 37.

20 Principle 1 of the Policy Development and Coordination chapter of the Principles of Public Administration requires the fulfilment of the task of European integration coordination within the CoG.

21 Official Gazette of the RS. *Law on the Planning System of the Republic of Serbia*, Articles 21 and 22.

22 Official Gazette of the RS. *Bylaw on the methodology for developing midterm plans*.

23 Official Gazette of the RS. *Law on the Planning System of the Republic of Serbia*, Article 21.

24 Official Gazette of the RS. *Law on the Planning System of the Republic of Serbia*, Article 44.

Mid-term planning is also regulated by the LPS (articles 25-28), as a process which is strongly based on the APIGP priorities, and which represents the basis for the production of the GAWP. The role of midterm planning is important as it represents a link between sectoral policy planning, contained in various strategies, programmes and action plans, and the Government planning documents.

The NPAA is the main planning document in the process of Serbia's EU accession process. It is a "detailed multi-annual plan for the alignment of domestic legislation with EU regulations."²⁵ Its preparation is coordinated by the MEI, and it is supposed to represent one of the reference documents for the production of the GAWP, as per the GAWP instruction. The second, revised NPAA was adopted by the Government in November 2016. This document is "designed in the way that it connects European legislation and the domestic legal system in order to monitor, at all times, the pace, scope and quality of the alignment."²⁶ Yet, to date it has not encompassed calculations of the financial costs of the legal alignment with the EU law.

2.4 Decision-making at the Government level

The Government – as a collective body gathering the PM, DPMs and ministers – constitutes the ultimate point for taking policy decisions, i.e. determining public policy. Therefore, how agendas of government sessions are determined and how the sessions themselves proceed represent important factors within the policy management system.

The key CoG institution responsible for supporting Government sessions, both in terms of their preparation and in the actual proceedings, is the GSG. Its tasks and responsibilities in this context are defined by the GRoP, which lay out the detailed conditions for placing items on the Government agenda and the procedures leading up to the Government's decision-making.

A Government session must be convened by the PM at least 24 hours before it is scheduled to begin. The proposed agenda, the minutes of the previous session, as well as all materials for the session and committees' reports are supposed to be sent with the announcement of the session.²⁷ In the preparation of the Government sessions, an important role belongs to the Government working bodies, in particular the standing/permanent ones: committees and commissions. The system of working bodies represents the main filter of decision-making before proposals reach the Government and in principle (with some regulated exceptions) only materials which are approved at that level should be sent to Government sessions.

Although Government sessions are intended as a place for conducting negotiations and discussions concerning key policy issues, in reality most such discussions take place outside of these meetings. Various analyses and reports in the past concluded that in the Government sessions, and even committee meetings, voting mainly takes place automatically on already pre-agreed agenda items, whereas substantial discussions mainly take place in informal meetings which are convened by the

PM or DPMs, usually without participation of CoG institutions – including the GSG.²⁸

Moreover, a combination of two factors makes substantive preparation of the Government members for the sessions quite challenging. Firstly, a large number of technical and administrative issues typically end up on the Government agenda. Secondly, the fact that materials are sent 24 hours before the scheduled start of the sessions, and that often materials get added to the agenda directly at the start of the session (also allowed according to the GRoP, Article 55), make it impossible to review them and prepare for a substantive discussion.

Yet, considering the well-developed role of the permanent Government bodies in the policy-coordination and decision-making processes, it is not a surprise that the Government sessions lack substantive discussion on policy matters. The two types of permanent Government bodies formed by the GRoP are commissions and committees. As regulated by the GRoP, committees either participate in the preparation of the Government session or deliberate on issues which are not decided at the Government sessions. Commissions on the other hand pass individual acts or propose such acts to the Government (Article 9, GRoP). Members of the permanent bodies can be either members of Government (PM, DPMs and ministers) or state secretaries, but the former must constitute a majority of members. Moreover, they must be presided over by a member of the Government. The GRoP establishes four committees and four commissions. Those commissions that pass individual acts (for example decisions on salaries of persons appointed by the Government, or decisions in administrative procedures) can only comprise members of the Government and not state secretaries.

Despite the fact that commissions cannot delegate their duties to lower levels in the hierarchy as a way to filter certain issues before they reach the highest political level, they do constitute a functional approach to unburdening the Government sessions from technical and administrative matters. They do so by gathering smaller groups of members of the Government, focused on specific issues. Yet, other technical and administrative issues still make it into the agendas of the Government sessions as a rule, such as allocation of official vehicles and approval of business travel for persons appointed by the Government. This indicates a scope for a greater use of the commissions to further reduce the burden of certain administrative issues on the Government sessions.

Committees, unlike the commissions which deal with individual acts and administrative issues, focus on substantive policy issues. Although their names do not always indicate specific policy sectors/areas, their purviews are indeed defined by enumerating specific policy areas. The four committees indeed cover very wide policy areas, though they are roughly logically grouped together from the policy coordination perspective. For example, a single Committee on Economy and Finance covers all issues of economy, public finance, labour and employment, agriculture, energy, construction, traffic, trade, tourism, services, environment and many other related issues. The fact that only four committees prepare all Government sessions imposes a question of how effective the policy coordination is in these bodies, considering the workload that they receive in the preparation of each Government session.

In addition to the permanent working bodies, the GRoP makes it possible to form provisional Government bodies – councils, working groups, expert groups, etc.²⁹ These bodies are formed to

²⁵ Ministry of European Integration, Government of the RS. *National programme for adoption of the acquis (NPAA)*.

²⁶ Ibid.

²⁷ Official Gazette of the RS. *Rules of Procedure of The Government of The Republic of Serbia*, Article 52.

²⁸ Lazarević, Obradović, "Map on policy cycle at Central Government level," p. 75.

²⁹ Official Gazette of the RS. *Rules of Procedure of The Government of The Republic of Serbia*, Article 22.

discuss specific issues from the competences of the Government as well as to issue proposals and expert opinions. A Government decision is passed to appoint the president and members of such a body, and there are no limitations on who the members can be. This means that membership can extend – as it frequently does – to individuals outside of the Government and the administration. As such, they also open up the question of interest representation and lobbying through members coming from outside of the Government.³⁰ Normally, these bodies are formed for specific tasks and specific time periods. They need to report to their relevant committees at least every 60 days and to the Government at least every 90 days.

The proposals and opinions of these bodies do not get forwarded directly to the Government for further decision-making, but rather go back to the competent state administration authority, which it then (if it deems necessary) prepares as its own proposal for the Government. This effectively means that provisional bodies do not comprise an effective mechanism for policy coordination towards the Government sessions and reduces the strength of these bodies in the policy management system. In fact, and probably for this very reason, many provisional bodies which have been formed, either never or rarely meet, while the quoted requirements regarding reporting to the committees and the Government are usually ignored. Membership of these bodies is in practice often delegated to the level of assistant ministers, due to which the proposals they take often do not constitute truly coordinated proposals which could be automatically sent to the Government for a decision.

Furthermore, other, more informal venues of discussion offer additional layers for filtering disagreements. Such is the case of regular meetings of the Prime Minister's, DPM's and ministers' chiefs of staff. Although an informal institution, these meetings take place regularly before Government sessions and represent a venue for political discussions and resolution of any disagreements.

3

Case studies: Policy coordination for public administration reform and public finance management

This chapter provides an analysis of how policy coordination works in two selected policy areas, analysed in ReSPA's regional analytical paper as well. These are public administration reform and public finance management. These two case studies serve to analyse in detail how policy coordination work in the case of these two complex multi-sectoral policies, particularly as such policies require the involvement and commitment of a larger number of ministries and other state administration bodies. The case studies will therefore help identify the key strengths and weaknesses of the present policy coordination system in Serbia discussed in the next chapter. They are also instrumental in determining the recommendations provided at the end of the study.

3.1 Public Administration Reform Strategy 2021-2030³¹

The Public Administration Reform Strategy (PARS) introduces a three-tier monitoring and coordination structure, repeating the approach for the coordination and monitoring of the expired Action Plan 2018-2020 of the former strategy. The coordination bodies are:

- the Ministry of Public Administration and Local Self-Government (MPALSG), as the first level of coordination for tasks of operational and expert nature,
- the Inter-ministerial Project Group (IMPG), the second, inter-sectorial level of administrative coordination,
- the PAR Council, as the central, strategic body of the Government for PAR, and a formally joint political level for PAR and PFM policy coordination.

At the first level, the internal unit of the Sector for Good Governance within MPALSG – the Group for PAR Management – performs daily expert and operational tasks. According to the PARS, the purpose of creating an internal unit for PAR management was to ensure successful task realisation and sustainability of the process. Established in the previous strategic cycle, the PARS assesses that it needs further capacity strengthening in staff and organisation. This unit performs tasks of coordination, participation, and monitoring the implementation of PAR policy documents, and the OGP Action plans, prepares reports on their implementation, and it supports the work of the PAR Council and IMPG.

As before, the IMPG serves as the highest administrative coordination body and it involves all coordinators of PARS thematic areas, i.e., responsible persons for PARS specific objectives and measures. Civil society representatives continue to be involved in the IMPG, and their selection is based on competition. According to the PARS, the IMPG operates as a framework group, but it also works in subgroups, to coordinate thematic areas covered by the PARS Action Plan - for human resource management, accountability and transparency, and service delivery. For other areas, covered by subsidiary policy programmes (policy development and coordination, public finance management, and local self-government system reform), the coordinators of operational groups which will be formed for the coordination of those programmes will participate in the work of the IMPG. The PARS further allows a possibility of having contact persons for individual measures in the Strategy, who can report to respective coordinators on results, activities, and indicator achievement, whereas coordinators submit reports for the entire area, on the request of MPALSG and in line with reporting requirements. The PARS defines quarterly schedule of IMPG and intends to introduce e-sessions to overcome the issues related to capacities, which were experienced in the previous IMPG tenure. The IMPG's work is closely defined by its rules of procedure.

The PAR Council remains as the central, political-level coordination body for strategic decision-making. As the provisional working body of the Government, it is chaired by the Minister of public administration and local self-government and co-chaired by the Minister of finance. As in the past, the membership of the Council foresees ministers, and heads of state administration bodies, but is broadened to include members of the Provincial Government of Autonomous Province of Vojvodina, and the Standing Conference of Towns and Municipalities (SCTM). The General Secretariat of the Government provides administrative and technical support to the work of the Council, while the responsible unit of the MPALSG is tasked with expert support. The PARS and the Decision establishing the PAR Council envisage a possibility to engage expert support to the Council for complex issues. The work of the Council is declared as public, and publicity is achieved in accordance with the Law on free access to information of public importance, as well as press statements by the Council. The PARS also states that the Council can invite civil society members of the IMPG, once a year, to take part in its session, but the Decision which establishes it fails to mention such a possibility. Table 1 below provides and overview of the main characteristics and responsibilities of these three PAR coordination levels.

As with all other provisional working bodies of the Government, the proposals of the Council which need to be forwarded to the Government for a decision need to be sent back to the competent ministry for formal preparation according to the GRoP. In the case of the PAR Council, it is the MPALSG who receives its conclusions and then initiates the formal procedures required by the GRoP in order

for a proposal to be forwarded into a government session. This means that materials that were prepared at administrative level and sent to the Council for a high-level political discussion and endorsement get sent once again into the administrative procedure, only to be sent again into the formal political decision-making process by the Government.

Table. The PARS coordination structures: main characteristics and overview of tasks

	MPALSG	IMPG	PAR COUNCIL
LEVEL	Expert and operational daily coordination	Inter-sectorial, administrative coordination	Strategic, political coordination
TYPE	Internal unit (Group) for PAR management	Project group for cooperation of state administration bodies	Provisional working body of the Government
LEGAL BASIS	Rulebook on internal organisation and job systematisation ³²	Art. 64 Law on State Administration ³³ Art. 26 Decree on principles for internal organisation and job systematisation in state administration bodies ³⁴	Art. 22 Rules of Procedure of the Government (RoP) ³⁵
ESTABLISHING ACT	See above	Conclusion of the Minister (to be adopted)	Decision of the Government ³⁶
CHAIR	Managed by the Head of Group	MPALSG Secretary	Minister responsible for public administration
COMPOSITION	Employees of the Group	Responsible persons for PARS specific objectives and measures, civil society representatives	Ministers, heads of selected Government services and special organisations, representatives of the Provincial Government and SCTM

32 MPALSG, *Rulebook on Internal Organization and Systematization of Workplaces In The Ministry of State Administration and Local Self-government*.

33 Official Gazette of the RS, *Law on Public Administration*.

34 Official Gazette of the RS. *Rules of Procedure of The Government of The Republic of Serbia*.

35 Official Gazette of the RS. *Bylaw on the principles for internal organization and systematization of jobs in ministries, special organizations and government services*.

36 Official Gazette of the RS. *Decision on the formation of the Public Administration Reform Council*.

DUTIES OVERVIEW	Coordinates, prepares, monitors PAR policy documents, and AP for Open Government Partnership (OGP)	Participates in creation of PAR policy documents, and gives proposals for the alignment of other policy documents with PARS, proposes new activities and projects for PARS together with MPALSG	Proposes strategic development measures of public administration and PFM; initiates and proposes PAR/PFM measures and activities to the Government; adopts PAR and PFM reports
	Supports IMPG and PAR Council	Adopts monitoring and evaluation reports on PARS implementation; assesses risks in PARS implementation and decides on risk mitigation measures	Promotes, monitors implementation, and/or proposes measures and actions in relation to PARS and other PAR policy documents, Serbia's OGP participation, eGovernment development. Proposes alignment in the hierarchy of planning documents of different levels in PAR and PFM
	Prepares PAR and OGP related reports in the EU integration process	Proposes decisions for deliberation and adoption by the PAR Council; members participate in evaluation of results of PARS in line with evaluation methodology	Provides prior opinions to the Government on policy documents, legal drafts, and other acts in relation to organisation and work of the Government, state administration bodies, especially on those acts proposing establishment of new ones

3.2 Public Finance Management Reform Programme (PFM RP) 2021-2025³⁷

As in the previous planning period (2016-2020), the PFM reform for 2021-2025 continues to have an independent coordination system, and it consists of the same bodies that have performed coordination, monitoring and reporting functions before:

- the Steering Committee (SC),
- the Working Group (WG),
- the Technical Secretariat (TS).

The new PFM RP introduces the SC as the highest political instance of the coordination, chaired by the minister of finance. The SC convenes at least annually and includes high public officials as members

37 Ministry of Finance, Government of the RS. *Public Financial Management Reform Program (PFM)*.

(see table below). It periodically assesses the need for the revision of the PFM RP for the purpose of alignment with other reform processes. According to the PFM RP 2021-2025, the SC monitors the implementation of its Action plan; reviews implementation reports; acts to solve potential coordination or implementation issues; adopts and submits PFM RP reports to the Government; decides on resources needed for PFM RP; defines and assess risks in PFM RP implementation; facilitates coordination with other reform processes, and analyses donor support in PFM. Considering that the PARS states that the PAR Council is a joint political level coordination body for PAR and PFM, it is unclear how exactly the SC will relate to the PAR Council. In contrast, the Draft Programme for the Improvement of Policy Management and Regulatory Reform – as another subsidiary programme to the PARS – clearly identifies the PAR Council as its political-level coordination mechanism.

The WG for the development, monitoring, and reporting on the implementation of PFM RP is the operational body which gathers all institutions relevant for PFM reform. It was established first in 2015 by the Minister of Finance, after which its membership was renewed in 2018 and again in July 2020. The Minister also chairs the work of the WG. It is the key technical body for defining midterm goals, measures, activities of the PFM RP but also for monitoring achievements, and proposing revisions in strategic directions. As an inter-institutional body, the WG also plays a role in the alignment of PFM RP components with other strategic documents, and in cooperation and experience exchange with other authorities. The membership of WG spans a few institutions of importance in PFM (see table below), yet its membership is narrower than that of the IMPG, for example.

Table. SC and WG membership overview

PFM STEERING COMMITTEE	PFM WG REPRESENTATION
<ul style="list-style-type: none">Minister Of Finance (Chair)State Secretaries in The Ministry of FinancePresident of the State Audit InstitutionChairman of the Parliamentary Committee for Finance, Budget, and Public Spending Oversight	<ul style="list-style-type: none">Ministry Of Finance (subordinate bodies and sectors)Parliamentary Committee for Finance, Budget, and Public Spending OversightState Audit InstitutionGovernment's Services and Special Organisations - General Secretariat, Public Policy Secretariat, HRM Service, Public Procurement OfficeMinistries (3) In Charge of Public Administration, Economy, European IntegrationAudit Authority for the EE Funds Management System

Finally, the TS is located in the Sector for International Cooperation and European Integration of the MoF, as stipulated by the Decision establishing the PFM WG. According to the Rulebook on Internal Organisation and Job Systematisation of the Ministry of Finance, this Sector is charged with

coordination in the development of two key strategic documents: the Economic Reform Programme, and the PFM RP.³⁸ The TS primarily provides expert, administrative, technical, and logistical support to the work of the SC and the WG, in the entire cycle of the PFM RP, from design to implementation and reporting. When it comes to reporting on the PFM reform, the TS initiates and coordinates the process of preparing reports on PFM RP implementation. The TS is also in charge of preparing the PFM policy dialogue events, at least annually. Before the PFM RP and the reports on its implementation are adopted, it also informs and collects feedback from all non-governmental stakeholders on issues of relevance for PFM reforms.

3.3 The PAR and PFM coordination structures in the overall policy coordination at the centre of Government

The PARS coordination structures remain mostly parallel to the overall policy coordination by the Government. According to the GROp, provisional governmental working bodies, such as the PAR Council, have clearly set, time-bound mandate and reporting requirements.³⁹ These bodies are obliged to regularly submit work reports to the responsible permanent working body of the Government, at least each 60 days, and to the Government quarterly (each 90 days). In addition, as required by the GROp, acts passed by provisional governmental bodies are to be submitted to responsible state administration body, in this case MPALSG, to perform necessary preparations before submission to the Government. In this setting, it is likely that decisions of the PAR Council only indirectly feed into the central decision making by the Government, as they need to go through this bottom-up procedure, which enables room for potential inefficiencies.

Moreover, in the background of such PAR coordination issues at the centre of government lies the absence of PAR and PFM related competences of permanent working bodies of the Government. Pursuant to the GROp, permanent working bodies – committees and commissions, participate in the preparation of government sessions, deliberate beforehand on issues discussed at these sessions, and propose to the Government adoption of individual acts.⁴⁰ Out of all governmental commissions and committees regulated by RoP, not a single working body has specifically focused competence to discuss and propose actions for managing and coordinating the entire PAR, including PFM. For instance, the Committee for Legal System and State Bodies, discusses on issues related to state administration and local self-government, among others; Committee for Public Sector Economy discusses strategic orientation and work of state-owned enterprises; the Administrative Commission decides on disputes in jurisdictions from the competence of the Government, and the Personnel Commission, for instance, proposes appointments and dismissals to the Government. Although all these topics can be closely related to PAR, the scope of work of these permanent working bodies does not provide for clear-cut PAR competences.

38 Ministry of Finance, Government of the RS. *Public Financial Management Reform Program (PFM), Rulebook on internal organisation and job systematization*.

39 Official Gazette of the RS. *Rules of Procedure of The Government of The Republic of Serbia*, Article 22.

40 Official Gazette of the RS. *Rules of Procedure of The Government of The Republic of Serbia*, Article 9.

What additionally accentuates coordination deficiencies is duplication issue - PAR Council membership includes 15 members of the Government, who are at the same time majority members of governmental permanent working bodies. For these reasons, exploring potential establishing of PAR-related competences at the level of permanent working bodies in the future could speed up PAR decision making, and importantly, make it closer to the centre of Government and more coherent.

Finally, when it comes to coordination structures of PARS and PFM RP described above, there is still duality in overall PAR coordination given that for both documents' separate coordination mechanisms are preserved. Based on the experience of implementing the PAR Strategy Action Plan for 2018-2020, and the PFM RP for 2016-2020, certain adjustments have been foreseen in new PARS and PFM RP and both documents acknowledge PARS as the umbrella document. That is, it is planned that the implementation reports on the PFM RP are "adequately integrated" into the reports on the implementation of the PARS.⁴¹ Similarly, reporting on the PARS implementation is planned to be based on monitoring the implementation of not only its Action Plan, but also all the other hierarchically subordinated PAR policy documents, including the PFM RP.⁴² For that reason, and given that the mandate of the PAR Council foresees it to be a joint political coordination body for PAR and PFM, there is space for better integrating the coordination structures for these two inseparable policies. The actual effect of streamlining reporting on monitoring these reforms remains to be seen in the future.

41 Ministry of Finance, Government of the RS. *Public Financial Management Reform Program (PFM)*, p. 99.

42 Official Gazette of the RS. *Public Administration Reform Strategy*, p. 295.

4

State of play, strengths and weaknesses of the policy coordination system

The state of play in the present policy coordination system is analysed and presented in several key documents, including the PAR Strategy, the SIGMA/OECD assessment reports and the EU reports on Serbia. An additional civil society source to consider is the PAR Monitor 2019/2020, which includes an assessment of certain issues of relevance to policy coordination.⁴³

Based on the various assessments and evaluations conducted, this section provides first an assessment of key strengths of the system. Next, it focuses on the main weaknesses of the current system. The overview of the external assessments is complemented by the author's conclusions drawing on the two case studies of PAR and PFM policy coordination systems presented in the previous chapter.

4.1 Strengths of the Current System

4.1.1 Legal and institutional setup

The legal framework for policy planning and coordination has been thoroughly developed over the past years. With the adoption of the LPS and its two bylaws, a comprehensive legal setting was created, completing the gaps which had previously existed. The soft law documents which are mostly regularly issued, such as the Instructions for the preparation and reporting on the key planning documents, further contribute to the clarity of the *de iure* system.

Moreover, the key functions of a sound policy management system are all performed by existing institutions. With the GSG in charge of management of the Government sessions and the annual

⁴³ European Policy Centre (CEP). *National PAR Monitor Serbia 2019/2020*, WeBER 2.0.

planning process and the PPS charged with top-down prioritisation of the Government programme, solid institutional conditions have been created for continuous improvements of the policy coordination system. Moreover, as the opinion-issuing procedures are well embedded in the Serbian policymaking system, the PPS, LS, MF (and to an extent MEI) all contribute to achieving policy coordination at the centre of government.

The PPS has in particular taken up the role of driving the development of the policy coordination system and has to a great extent focused on the substantive issues in the system, rather than just procedures and compliance. Through its role of providing opinions to draft laws and strategies, which is embedded in the GROP,⁴⁴ the PPS has started to assure the quality of new strategic documents but also the quality of the statements of compliance with the strategic documents of the Government that are required in the preparation of laws and bylaws.⁴⁵ Through these functions, the PPS has contributed to the awareness in the Serbian state administration of the necessity to align and coordinate policies. Moreover, the presence of the PPS at the meetings of the Government committees without voting rights (the same role as the LS), as per the GROP,⁴⁶ has provided the PPS with an important tool to further ensure coordination of the policy proposals discussed.

So far, the key institutions at CoG – particularly the GSG and the PPS – have established solid working relations and regular consultation mechanisms, although they are not formalised/institutionalised. In particular, cooperation takes place in the processes of preparation of the key planning documents, discussed in the next section.

4.1.2 Process and procedural strengths

The planning system as such features most key elements, with both a top-down and bottom-up planning documents already implemented. The APIGP, as the key top-down planning document determines the priorities of a government based on the prime minister's electoral speech in the parliament (the Government programme). On the other hand, the GAWP is primarily a bottom-up document, with a broader scope than APIGP, as it sets out the entire legislative and programmatic activity of each state administration body. The NPAA is also well embedded in the system, as the key planning document in the EU accession process.

Considering that the GS's instruction for GAWP development sets out that individual institutions' plans need to be based on the APIGP, NPAA, the Economic Reform Programme, sectoral strategies as well as the programme budget, procedurally the system is well set up. Moreover, the annual plans should stem from the mid-term plans and using the mid-term planning methodology, which formally establishes the preconditions for a harmonised planning system.

The establishment of a mechanism for monitoring and reporting on the implementation of the APIGP has improved the coordination of public policies, especially at the ministerial level. APIGP also proved to be an effective instrument for overcoming certain problems in coordinating the implementation of PAR, as some of the key objectives of the PAR Strategy 2014 (rationalization and optimization of

public administration, development of e-government and service delivery and salary reform) are covered by it.⁴⁷

The programme-based budgeting was another important improvement which creates a basis for sound policy coordination, especially in the planning phases. By linking budgets to objectives, programmes and indicators, programme budget is indispensable for creating an integrated policy planning system. There are ongoing efforts by the PPS and the MoF, with the involvement of the GSG, to ensure that the programme budget fully integrates with other segments of the policy planning system, though difficulties persist and are discussed in the section on weaknesses.

The Unified Information System for public policy planning, monitoring, coordination, and reporting (UIS) has been established and public policy documents have been entered into it since January 2019, which is one of the most important results from the point of view of digitalization of the administration in this area. However, since policy documents are not all prepared at the same time, as well as changes to existing ones in accordance with the LPS and the requirements of the information system, it takes time to see the full effects of Unified information system on the coherence of policy documents.⁴⁸

One additional important way to ensure policy coordination is through horizontal inter-ministerial consultations in the policy development. This process has two main forms in the Serbian system: 1. Through inter-sectoral working groups created to develop policies and legislation; 2. Through the collection of written opinions at the end of the policy and legislative drafting process. Both of these approaches are quite well developed in the Serbian administrative culture. While the creation of working groups is voluntary, it has become a widely spread practice in the policy development. The working groups usually gather a number of relevant ministries, as well as some of the CoG institutions (as mentioned in the previous section). Yet, this approach suffers from certain weaknesses, which are discussed in the following section. Unlike the working groups, the process of collecting written opinions on draft policy and legislative proposals is obligatory and checked by the GSG which can return proposals that have not acquired the written opinions of all relevant institutions, in line with the GROP requirements.

An important strength which has particularly developed over the past few years is that some of the CoG institutions have become increasingly involved in the development of the legislative and strategy drafts, rather than just providing their opinion at the end of the process. The developed practice of forming working groups for drafting policy and legislative proposals has allowed this role to formally develop. Based on the interviews and consultations performed in the production of this study, both the PPS and the LS have become quite engaged with sponsoring ministries in the phase of policy development, which certainly makes the task of policy coordination easier by frontloading it in the policy cycle.

44 Official Gazette of the RS. *Rules of Procedure of The Government of The Republic of Serbia*, Article 46.

45 Official Gazette of the RS. *Rules of Procedure of The Government of The Republic of Serbia*, Article 39a.

46 Official Gazette of the RS. *Rules of Procedure of The Government of The Republic of Serbia*, Article 20.

47 Official Gazette of the RS. *Rules of Procedure of The Government of The Republic of Serbia*, Article 20.

48 Official Gazette of the RS. *Rules of Procedure of The Government of The Republic of Serbia*, Article 20.

4.2 Assessment of the weaknesses of the current system

A number of weaknesses of the overall policy management, including policy coordination, system have emerged from the different assessments and analyses in the recent period. Whereas the assessment of the strengths in the previous section clearly indicates that Serbia has addressed some of the weaknesses, the latest reports and assessments still repeat some old weaknesses and are pointing to potential new problems arising in the ongoing reform process. To structure the discussion of the key problems within the system, the following sections will address:

- The roles and responsibilities of the bodies forming the CoG,
- The policy planning system,
- The policy coordination processes, including inter-ministerial consultations

4.2.1 Centre-of-government institutions' roles and responsibilities

As discussed in chapter two above, a number of institutions currently share the roles and responsibilities of the centre of government in the Serbian system at present. These are the GSG, the LS, the PPS, the MoF and the MEI, as well as the Government OfM. Several reports have recognised the fragmentation of the CoG in Serbia, which in turn is not accompanied by strong coordination mechanisms which would ensure that it acts as a single, unified voice in the Serbian policy management system.⁴⁹

Since the establishment of the PPS in 2014, two CoG institutions have been in charge of different elements of the policy planning and coordination system. This was in the previous years mentioned as a problem by the European Commission, which stated that "a clearer division of responsibilities between the General Secretariat, the Public Policy Secretariat and the new delivery units in the Prime Minister's Office is essential."⁵⁰ Although the institutional setup has not been changed since, the LPS (as well as the Law on Ministries passed with the establishment of each new government), has to an extent delineated the concrete tasks and responsibilities of the two institutions by stating clearly their specific roles in the policy planning system. The two institutions have ensured close cooperation and coordination in the planning processes, but these planning processes still function in parallel and, in reality, create overlaps which are sometimes perceived as administrative burden by the state administration authorities.⁵¹

Moreover, from the perspective of coordination of policies, the fact remains that two different CoG institutions, in two different ways, assure the compliance of proposals prepared for Government decision-making with the planning documents. The GSG checks if the proposal is foreseen by the GAWP and if not whether the proposing ministry has justified such a proposal, while the PPS checks the quality of the statements of compliance with adopted Government strategies. As mentioned in chapter 2 above, the GSG performs its compliance checks as part of its function of preparing the Government sessions and as such it has the power to return non-compliant materials to the sponsoring ministry. While the GSG in this way has a proper policy coordination mechanism at its

disposal, it does not use it to check the substance, but just formal compliance of the submitted materials with the GRoP. In a way, the GSG performs the role of the "gatekeeper", though it performs this role purely from the formal point of view, without entering the substance of the submitted proposals, which is a common function in strong centres of government in comparative systems.

On the other hand, although the PPS in the performance of its functions focuses mainly on the substance of the drafts sent to it, the mechanism at its disposal is suboptimal, as it can only issue written opinions. The European Commission has in its 2020 report reiterated the necessity of strengthening the quality assurance function of the PPS, "whose opinions are mandatory – meaning that the Secretariat must be consulted – but not legally binding, as there is no mechanism to verify that the Secretariat's comments have been incorporated and that the final draft versions of laws and policy documents are compliant with the legislation."⁵² In its earlier assessments, OECD/SIGMA also recommended that the Government should "strengthen the official position of the PPS, clarifying its right to block legislation from being placed on the Government's agenda where the RIA is of insufficient quality. This strengthened role for the PPS should be enshrined in the RoP for the Government."⁵³

4.2.2 The policy planning system

Strategic and operational planning systems and processes, as well as ensuring coherence and alignment between these two types of planning constitute some of the core tasks of a government. While setting strategic objectives of a Government is often a political responsibility, stemming from a programme laid out by the incoming PM in the Parliament (the PM's speech in Serbia), development of concrete plans stemming from those main strategic objectives are done by the administration. And whereas the ministries are the ones who prepare proposals by analysing information and data within their policy areas, the CoG must coordinate those proposals, thus helping the Government ensure clear prioritisation between them, against limited financial resources. Equally, within integrated planning systems, the CoG should similarly coordinate and ensure substantive alignment among the inputs received from ministries, based on the Government's politically set strategic objectives.

At present, the policy planning system in Serbia cannot be assessed as integrated, despite the abovementioned recent steps made in this direction, not least through the establishment of the UIS. Moreover, the existence of several parallel central planning processes creates redundancies and excessive administrative burden on the administration. The programme budget development process led by the MoF, the GSG's annual work planning and the PPS's APIGP development and annual updating all encompass annual activity planning, though through different approaches and with different purposes.

The GAWP, as an overarching annual planning document, is developed through a fully bottom-up approach, without the top-down prioritisation element, which would normally be provided by the GSG as the coordinator of this planning process. It is a highly extensive document, of over 800 pages, which essentially compiles together the annual work plans of individual ministries and other state

⁴⁹ SIGMA, "Monitoring Report for Serbia 2017," p. 28.

⁵⁰ European Commission, "Serbia 2015 Report," pg.9.

⁵¹ From an interview with a civil servant conducted for an earlier study.

⁵² European Commission, "Serbia 2020 Report," p. 13.

⁵³ European Commission, "Serbia 2020 Report," p. 20.

administration authorities. It therefore includes planned legislation at primary and secondary level, as well as planned programmes and projects, including some financial estimates. Yet, despite its level of detail and comprehensiveness, the GAWP is essentially not a true planning document, but rather a wish list – and to an extent a reserve list – of everything that all individual sectors/units in an institution would like to propose to the Government, adopt as internal acts and implement as projects in a given year. In most cases, even the individual institutions' plans are developed in bottom-up approaches, with little to no central coordination in a secretariat or a comparable unit. The SIGMA reports have over the years reiterated the sizable backlog of implementation of the GAWP, with high percentages of commitments carried forward into the next year.⁵⁴ Moreover, in the development of individual plans, administrative authorities insufficiently make use of the option offered by the online planning software to review the plans of other authorities,⁵⁵ as a result of which there is insufficient coordination between them. Given that at the end of the process the GSG only performs compilation of the individual parts, there is also no impetus for the institutions to ensure coordination and mutual compliance of their plans.

The APIGP, although it was introduced more recently than the GAWP, has for the first time introduced a stronger top-down approach to policy planning, by operationalising the priorities from the Government programme (i.e. the Prime Minister's speech in the Parliament). Although the Government programme is essentially a four-year plan, the APIGP methodology foresees annual updates. Despite the fact that the APIGP is stated as a key source of information in the abovementioned GAWP development, the lack of substantive quality control by the GSG in that process diminishes the compatibility between these two processes and their end products. Moreover, considering that the APIGP now sets the priorities for the work of the Government for the entire mandate, with updates on an annual basis, the role of the GAWP as a document which essentially compiles the annual institutional plans with no top-down input becomes questionable. Moreover, considering the gradual (re)introduction of the operational mid-term planning process at institutional level, which constitutes the basis for producing the GAWP, there is a strong potential for new redundancies and administrative burden, unless full integration in accordance with the provisions of the adopted regulations is ensured.

Additionally, there is poor alignment between the National plan for the adoption of the *acquis* (NPAA) and the GAWP, and they need better synchronisation.⁵⁶

When it comes to strategic planning, analyses have recognised the inconsistency of the planning framework, which makes it difficult to determine priorities among the goals. This also reflects on the preparation of financial plans of institutions. Although expenditures in the budget of the Republic of Serbia are structured according to the programme classification, the connection with the strategic planning and priorities determined in the Government programme remains weak.⁵⁷ The scope of action set out in public policy documents and the degree of ambition expressed in them are often unfounded. Public policy documents continue to be adopted without realistically assessing the financial capacity to implement them. Medium-term planning, which should provide a direct link

between policy documents and the budget, is in the process of establishment, but is advancing at a slow pace.⁵⁸

4.2.3 The policy coordination system

The policy coordination at the centre of government has traditionally focused on compliance matters rather than on substance. This is mainly due to the fact that the GSG has not been mandated with assessing the substance of the proposals that are sent for decision making at the Government level. Instead, it has only ever had the role of controlling if all formal requirements of the GROp have been met, before any material can be forwarded to the relevant Government working body.

Whereas the more recently introduced role of the PPS to provide opinions on drafts laws and strategy proposals in regard to their alignment with the strategic framework does bring an improvement, this authority is insufficient to ensure proper coordination of proposals from the viewpoint of the Government as a collective body. First and foremost, the GROp does not clearly state that the PPS provides its opinion on the alignment of proposals with the Government programme and the APIGP, but only explicitly mentions its opinion on the quality of the conducted RIA. This undermines to an extent the power of the PPS' opinions in the system. Moreover, just like all other written opinions, the opinion of the PPS can be disregarded by the sponsoring ministry. It only needs to provide an explanation as to why it has not adjusted its proposal with the received comments and objections, same as with those of any other state administration authority that it must consult in the inter-ministerial consultation process. This trait of the Serbian system effectively brings down the role of the CoG institutions that provide written opinions to the same level as the role of any other line ministry that needs to be consulted.

The only informal exceptions to this rule are the LS and MoF, whose opinions are *de facto* considered as "mandatory" to align with, although in procedural terms even their opinions can be disregarded in the same way as any others. Yet, as a novel institution in the system, the PPS has not acquired this informal strength and it remains to be seen if in the course of time it will become so deeply embedded in the policy coordination system. As noted by the EC, "there is no mechanism to verify that the Secretariat's comments have been incorporated and that the final draft versions of laws and policy documents are compliant with the legislation."⁵⁹ The essence of this weakness of the problem remains the fact that the quality assurance statements of the CoG institutions, provided in their opinions, can in reality be disregarded by sponsoring ministries with no extraordinary consequences. As a result, a draft law or strategy proposal that is not aligned with Government plans and priorities can as easily reach a Government session as can a proposal to which a line ministry has issued an objection for whichever reason.

Another important deficiency of the policy coordination system lies in the fact that CoG institutions have not developed mechanisms for consulting and agreeing on their opinions. In its 2017 report, SIGMA notes that "there is no co-ordination of policy planning and policy development among CoG institutions. Interviews with representatives of the main CoG institutions confirm that they submit

54 SIGMA, "Monitoring Report for Serbia 2017."

55 Based on an interview/ consultation conducted in the development of the study.

56 European Commission, "Serbia 2020 Report," p. 14.

57 Momčilović, Urošev, "External evaluation of PAR Strategy 2014, Final Report," p. 74.

58 Official Gazette of the RS, *Public Administration Reform Strategy*, p. 81.

59 European Commission, "Serbia 2020 Report," p. 14.

their opinions on draft decisions individually without prior discussion with each other. In case of the GAWP, the GSG receives comments from other CoG institutions; however, they are forwarded to line ministries without consolidating views and positions.”⁶⁰ A related problem is also mentioned by the EC which states that “better coordination between the Ministry of Finance and the Public Policy Secretariat has yet to be established to ensure that there are no discrepancies between financial impact assessments, which the Ministry of Finance coordinates, and financial information in the regulatory impact assessments.”⁶¹ Were they to ensure such coordination of their opinions, the CoG as a whole might be able to increase its weight in the policy coordination, despite the suboptimal instrument for delivering on their quality assurance and coordination responsibilities.

Although the Serbian administration still has quite limited capacities for evidence-based policy development, the application of impact assessments over the years has also positively influenced on the coordination and mutual alignment of policies. While the quality of the impact assessments is still questionable in many cases, the quality assurance role of the PPS has become quite embedded in the system. Through its opinions on the submitted impact assessments, the PPS can also ensure alignment of proposed legislation with Government priorities and objectives, by signalling the negative effects on other policies and legislation which were not analysed or addressed in the analysis. Yet, this link is less direct and insufficient to make up for the previously mentioned weaknesses in the system.

Additionally, there is a large “grey area” in the assessments that the PPS performs on the quality of the conducted impact assessments, as it can provide three different opinions: 1. Full; 2. Partial; 3. Insufficient (as well as the opinion that an impact assessment is not needed). Between the options 1 and 3, there is a large space for providing the “partial impact assessment” opinions, which allows sponsoring ministries to proceed with policy and legislative proposals even where little analysis of the impacts is performed. This option also creates significant space for the creation of political pressure on the PPS to issue the “partial impact assessment” opinions. Arguably, if the system of opinions was binary (based on the ‘yes’ and ‘no’ options), it would be difficult for any minister to insist on receiving a positive opinion where the impact assessment was not properly performed.

When it comes to policy coordination through inter-ministerial consultations, several deficiencies have been noted. In the functioning of the working groups, there are two main drawbacks which diminish their effectiveness on policy coordination. Firstly, in many cases they are formed rather late in the policy development process – for example once a first draft law is already prepared. This means that such working groups lack the mandate to discuss the fundamentals of a policy problem and design the policy from the basis. Rather, their members start to work on an already selected policy option. Secondly, the mandate of the members of the working group is not clarified in the legislation. A representative of a ministry participates in its work to a large extent as a field expert and not as an official representative of his/her institution, since any outcome of the work of the working group can be changed in the final phase of policy development – the collection of written opinions. In fact, civil servants often note that ministries whose representatives were involved in a working group and contributed to the development of an agreed draft later provide “negative” opinions, i.e. opinions which contain numerous objections that were previously not raised in the

proceedings of the working group. In a related observation, the European Commission notes that “regarding inter-ministerial consultations, official high-level mechanisms still do not exist for resolving possible conflicts between services.”⁶²

The main weakness of the written opinions as a method of inter-ministerial consultations lies in the fact that it comes at a very late stage of policy development, while it can theoretically have a large influence on the content of a policy. This is the case, as there are no statutory limitations as regards the contents and the scope or ambition of written opinions, except that the issuing authority should provide its opinion within the limits of its own remit. That said, an opinion provided at the very end of the policy development process can question the very fundamental questions of a policy or legislative proposal. If this happens, it results in a very inefficient process, where the point of substantive coordination happens only after considerable human and time resources have already been invested in the development of a policy proposal.

5

A look into the future: plans for the improvement of the policy coordination system

The system of policy management is undergoing intensive changes at present. Although they mainly focus on the policy development and policy planning processes, they also span across several elements of policy coordination. Producing a study of this kind, with assessments of the problems and weaknesses in the functioning of the current system, would be incomplete without a thorough overview of the current plans. Those plans need to constitute a basis for producing actionable recommendations, but also for the identification of the gaps which may need to be further discussed by the policymakers and included in some future reform plans.

Therefore, this chapter provides an overview of the measures and activities aimed at improving the system in the current strategic framework, starting from the PAR Strategy 2030 as the hierarchically higher document. The main part of the overview, however, is based on the Draft Programme for the Improvement of Policy Management and Regulatory Reform and its Draft Action Plan 2021-2025, which was undergoing the public consultation process at the time of the final write-up of this study. Hence, this chapter serves to provide a framework for setting out realistic and actionable recommendations in the last chapter of the study.

The specific objective 1 of the PAR Strategy 2022-2030 focuses on achieving improved quality of public policy documents and regulations. Considering that the subordinated policy document to the PARS is the Programme for the Improvement of Policy Management and Regulatory Reform, this objective of the PARS is to be elaborated further through four specific objectives of that programme, as well as its measures and activities.

Considering that for this specific objective, a hierarchically lower document is being prepared in parallel, PAR Strategy does not elaborate specific measures that contribute to the achievement of this specific goal, but only determines the indicators for monitoring the achievement of target values.

5.1 Draft Programme for the Improvement of Policy Management and Regulatory Reform with accompanying Action Plan 2021-2025⁶³

As mentioned above, at the time of the finalisation of this study, the Draft Programme for the Improvement of Policy Management and Regulatory Reform and its accompanying Draft Action Plan were in the process of public debate. Therefore, an insight into the specific measures planned in this document is worthwhile, considering that the public debate process which occurs at the end of the policy development process usually does not yield major policy shifts and changes.

The Programme is developed for the period 2021-2025 with the aim of contributing to the improvement of the quality of public policy documents and regulations in a comprehensive and purposeful way. It expects to achieve four specific objectives:

- Specific objective 1: Regulatory reform in function of improving the business environment and reducing unnecessary burden for citizens and the economy
- Specific objective 2: Capacity building and application of instruments for quality creation and monitoring of the implementation of public policies and regulations
- **Specific objective 3: Effective policy coordination**
- Specific objective 4: Increasing level of civil society, economy, and other stakeholders in the early phases of preparing public policies and regulations and monitoring their effects

Thus, effective policy coordination is listed as Specific Objective 3. In order to achieve the third specific objective, the Programme sets out to improve planning at all levels of governance, the tools for policy coordination and alignment, as well as to improve the planning framework at all levels as well as their mutual alignment. The indicator at the level of the specific objective 3 (outcome indicator) is the total number of planning areas with a revised and optimized planning framework.

The document further specifies **four measures**:

- Measure 3.1: Improving the planning framework
- Measure 3.2: Optimization of strategic frameworks in the areas of policy planning and implementation
- Measure 3.3: Improving planning coherence at the central level
- Measure 3.4: Improving monitoring and reporting on the achieved results of public policy implementation and improved communication with the public

The measure 3.1 – Improving the planning framework – comprises two key lines of action. One is related to the amendments to the legal framework for policy management and regulatory reform, which has been in effect since the beginning of 2019, based on previous experiences in the

implementation and analysis of recommendations for improving the legal framework. The second line of action is focused on completing the planning framework required by the LPS, particularly the Development Plan – the highest document in the planning system. For the first measure, the draft Action Plan includes 11 activities related to revision, analysis, amendments to regulations and recommendations, as well as conducting trainings, raising awareness, etc.

The measure 3.2 – Optimisation of strategic frameworks in the areas of policy planning and implementation – seeks to establish a clear hierarchy of planning documents. Moreover, it sets out to create an institutional framework for coordination, implementation management, monitoring and unified reporting on all policy documents within specific policy areas. Such optimisation of strategic frameworks in all policy areas is planned as a mid-term effort which requires step-by-step planning and PPS support to the relevant institutions and bodies of the administration. Moreover, this measure envisages further development of the mid-term planning system. The second measure in the Action Plan includes four (plus three) activities related to the preparation of proposals for the Government Acts on repealing planning documents, providing support to ministries for optimizing strategic frameworks in the areas of planning in accordance with the schedule, support for drafting medium-term plans of institutions at the state level, etc.

The measure 3.3 – Improving the alignment of planning at central level – seeks to address the problem of poor alignment of central planning documents, both in terms of actual activities and in terms of deadlines for implementation. Moreover, it aspires to unburden the civil servants from duplicated reporting requirements stemming from these unaligned planning systems. This measure further aims to align the policy objectives with the objectives of the budget programs, including their indicators and target values. Thus, the third measure through the four activities it contains in the Action Plan focuses on the establishment of a mechanism for checking the compliance of documents at the central level, preparation of annual reports on compliance of those policy documents, as well as the strengthening of the capacities of MEI and MoF for the performance of their policy planning and coordination activities.

The measure 3.4 – Improving the monitoring and reporting on the achieved results of the implementation of public policies and transparent presentation to the public – is aimed at improving the functionality of the UIS, in order to connect it with other systems (especially the “PIRV” system for the preparation of the GAWP). The integration of UIS and “PIRV” is supposed to enable the automatic generation of information for GAWP, as well as for the reports on its implementation, which will reduce the existing burden on civil servants. This last, fourth measure, within the draft Action Plan, focuses its nine activities on the improvements of UIS – particularly in relation to the reporting functionalities, its integration with the “PIRV”, capacity building for the state administration authorities for the development of the APIGP and the use of the integrated UIS.

After presenting the contents of the part of the Programme dedicated to policy coordination, an important gap is noticeable, due to the complete absence of the CoG coordination procedures in the preparation of the Government sessions. There is neither an analysis of the problems in the functioning of the GSG and other CoG institutions in the day-to-day policy coordination processes, nor a proposal of any improvements in this area. There is no assessment of the functioning of the system of Government working bodies, both the permanent and the provisional ones, and how they operate as a filtering mechanism for issues sent into the Government sessions. Furthermore, the

⁶³ Secretariat for Public Policy of the Government of RS. “Continuation of the consultative process within the development of the Action Plan for the implementation of the Program for Improving Public Policy Management and Regulatory Reform.”

inter-ministerial coordination and consultation processes in the policy development phase are also not tackled by the document.

Whereas the issues that are addressed by the specific objective 3 do indeed promise to make significant improvements in the policy planning and in the creation of an integrated and well-aligned system of policy documents, they are unlikely to ensure effective policy coordination in everyday policy and decision making. In fact, if the procedures which lead to the adoption of policies by the Government at a daily basis remain unaffected by the ongoing reform, the failure to improve the actual policy coordination will be as large as the gap between the formal planning processes and the actual decision-making. Knowing that in the Serbian system to date the daily decision making is not fully led by the policy plans and strategies, it is hard to imagine that the creation of a solid planning system will ensure proper policy coordination. Hence, the recommendations proposed in the following chapter seek to address this identified gap and propose a way forward to closing it in the medium-term.

6

Recommendations

The recommendations are addressed to the Government of Serbia as a basis for future plans to improve the policy coordination system. For those recommendations that the Government accepts, a detailed roadmap for implementation will need to be worked out. Considering that this study comes at a moment in the policy cycle in the area of policy management and regulatory reform when a draft Programme for improving the state of affairs in the area is in the process of finalisation and adoption. While the findings and preliminary recommendations were communicated to the stakeholders in two consultative meetings and one online discussion that was held as part of the public debate on the draft Programme and its Action Plan, the author recognises that the space for including some of the more ambitious recommendations at this stage is limited. Therefore, such recommendations will need to feed into the next policy cycle in this area or inform any potential revisions of the Programme during its implementation.

Furthermore, as discussed in the previous chapter, the contents of the draft Programme and Action Plan quite comprehensively encompasses many of the actions needed to improve the overall policy management and policy coordination system. In terms of policy coordination, this is mostly the case with regards to the planning system and processes. As argued above, the main gap of this new policy document is that it lacks to address the issues of policy coordination at the centre of government and in the context of the coordination and preparation of Government sessions. For that reason, the recommendations proposed below only tackle issues and problems that have been identified in this study and that are not already addressed properly by the reform plans discussed in the previous chapter.

6.1. Short-Term Recommendations

Short-term recommendations aim to advance the day-to-day policy coordination and the decision-making at government sessions, by focusing on actions that can be taken in the short run (6 months to 1 year), without legislative changes at the level of primary legislation. Yet, even for the short-term recommendations, an amendment of the GRoP would likely be necessary.

Before laying out the individual recommendations, an overall recommendation stands that the existing legal obligations should be respected and implemented. For example, regular and timely publishing of reports on all planning documents, which is already foreseen by the legal framework.

1. Following the LPS and – once adopted – the Programme for the Improvement of Policy Management and Regulatory Reform, the Government should complete the creation of a fully integrated policy planning system. That should ensure that all planning documents – the Prime Minister’s Speech (Government Programme) with its APIGP, the GAWP, the programme budget, the NPAA and any other whole-of government plans – are fully consistent with one another.

- Full consistency will be supported bottom-up and top-down through the full introduction of the UIS.
- Maximum integration of the APIGP and GAWP should be prioritised in the short term, in terms of both preparation and reporting, to unburden the administration.

2. The Government should establish regular mechanisms for coordination and joint action between the institutions that comprise the Centre of Government (GSG, PPS, LS, MoF, MEI). These could vary from softer forms such as regular staff meetings between the directors or thematic managers depending on the topic at hand, to more institutionalised forms, which would need to be established by the GRoP. In any case, there should be some degree of institutionalisation of such a coordination mechanism, in order to make it recognisable within the system as well as to enable it to survive changes of leadership of the institutions. This recommendation builds on SIGMA’s recommendation from the 2017 monitoring report:

- A formal co-ordination mechanism should be established among the key CoG institutions to ensure unified opinions on drafts submitted by proposing institutions, as well as harmonised responses to proposals for items submitted for inclusion in the GAWP.

3. To facilitate policy coordination ahead of the Government sessions in all policy areas, the Government should consider establishing a committee as a permanent body for each policy area/sector in the integrated policy management system. If a majority of members are state secretaries rather than ministers (possibly with the exception of the chairperson, though that can also be delegated to the state secretary from a ministry that leads the policy sector), the Government committees would become a functional filtering mechanism for policy coordination ahead of Government sessions.

- To define the policy sectors, one possibility is to use the European Commission’s sectoral approach to define the sectors. Another possibility is to form several functional groups based on the 18 policy sectors defined in the Bylaw on the methodology of public policy management.

4. Moreover, the Government commissions should be used to a greater extent to unburden the Government from administrative items with little legal or policy significance (e.g. travel, procurement, and transportation). The number of commissions may not need to be increased, as the mandate of the existing commissions can also be broadened to include additional issues.

- The duties of the existing commissions which cover certain policy-related issues (such as appointments of senior civil servants – a matter of major importance for the PAR area) should be transferred to the relevant policy committees.

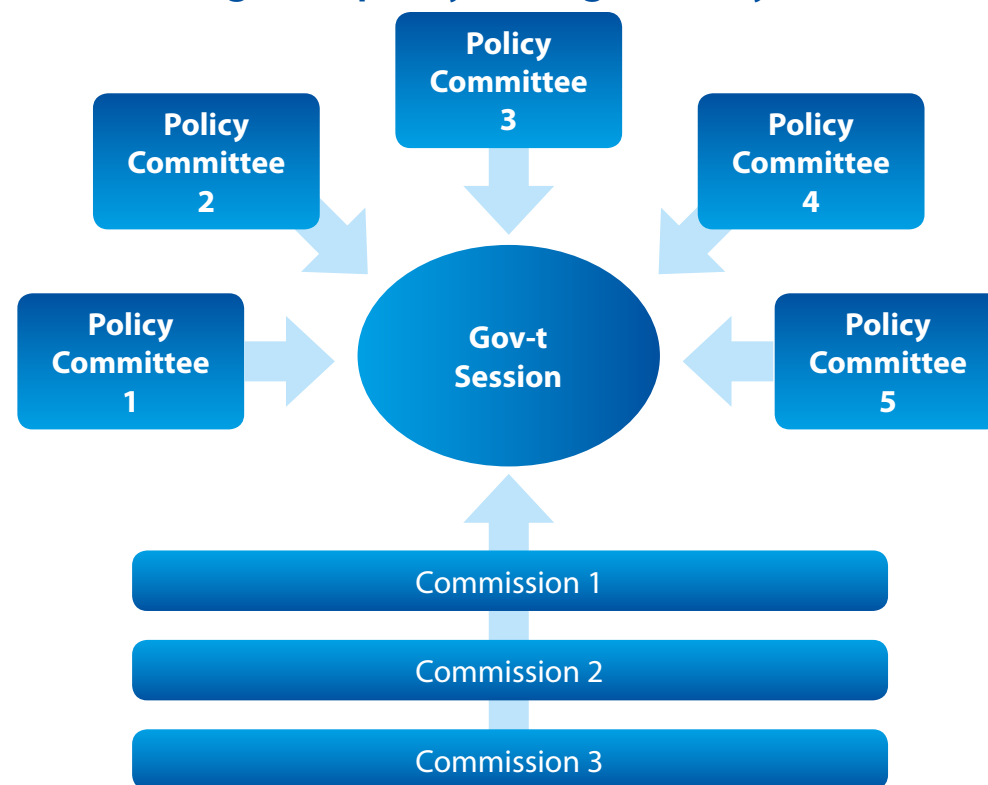
5. In order to make full use of the Government committees and commissions as a filtering mechanism before Government sessions, the issues that get decided at that level should then be sent to the Government sessions as grouped (“package”) items. Such items could get passed altogether, and without individual presentation in the agenda or voting. That would allow the discussion to focus on the policy items that did not get resolved at the working-body level or which merit substantive, policy, or political discussion.

6. The GSG should be required to apply a strict approach to scheduling items and tasked to refuse to schedule items that do not require a government decision but are fully under the competence of individual members.

7. To facilitate better integration of the PFM policy into the overall PAR through the policy coordination structures and processes, the decisions of the Steering Committee for PFM should be regularly reported by the Minister of Finance to the PAR Council as the only formal political coordination body in the PAR sector. Although such reporting already does take place in practice, this rule should be formally included in the PFMRP and the rules of procedure of the PFM SC, in order to ensure its sustainability. Moreover, if and when needed – for example, when PFM issues concerning a wider circle of government institutions are to be discussed – joint thematic sessions of the two bodies could be organised.

An illustration of the structure of working bodies proposed for the implementation of recommendations 3 and 4 is provided on the graph below:

Integrated policy management system



6.2. Medium-term recommendations

The medium-term recommendations listed below lay out the path towards an improved policy coordination system in Serbia, based on more systemic interventions, including legislative changes at primary level. They are broadly in line with the recommendations of the European Commission, best practices, and SIGMA principles for policy development and coordination. Implementation of these recommendations will require a detailed action plan and the timeframe is 2-3 years.

1. The Government should undertake a comprehensive review of the CoG and the Government decision-making process. The objectives of such a review would be to fully clarify and delineate the roles and responsibilities of all the bodies that constitute CoG, ensure consistency among them, determine points of inefficiency in the Government decision-making procedures, and propose a detailed action plan for achieving sound policy coordination, not only through the planning system and processes, but also in the daily decision-making by the Government.
 - The results and recommendations of such a review should be integrated into the next programme for improving the policy management system or into its mid-term review, if one is to take place.
2. Following the full introduction of the integrated planning system and the UIS, the Government should formally assign a clear mandate, as well as openly request from a relevant CoG body (at present most probably the PPS), the full implementation of the policy coordination function, in

National study on the policy co-ordination processes in the Republic of Serbia

order to ensure that all items reaching the sessions are of good analytical quality, in line with Government priorities and plans, and based on sound inter-ministerial and public consultations.

- The CoG bodies should be provided with appropriate capacities to fulfil this role, based on the good practices in comparative systems. The institution which assures the quality and strategic alignment of new proposed legislation and strategies must have competent staff with profound experience in all key policy areas (for example, following the organisation of Government committees, as proposed in the short-term recommendations above). Solid capacities can be achieved not only by allowing the employment of additional staff, but also by recognising the quality assurance and standard setting tasks at the CoG as particularly complex tasks requiring specific competencies and meriting a higher pay grade at all levels. Secondments of experienced civil servants from line ministries can also be explored as an option.
3. In order to ensure that the PPS, as well as other CoG institutions which do not have a mandate to directly prevent items from being placed on the Government agenda, can effectively fulfil their quality control functions, the legislative framework should be amended to differentiate their opinions from the opinions of line ministries and other institutions. This means that their opinions should become not only mandatory in the sense that they need to be collected, but also in the sense that they need to be fully respected in order for an item to be placed on the Government agenda.
 - The implementation of this recommendation will facilitate the proper implementation of the previous recommendation (no. 2).
 - To implement this recommendation, the Law on State Administration will need to be amended, more specifically its Article 65 dealing with the procedure for the preparation of general acts. Furthermore, the GRoP will also need to be thoroughly amended to enable a clear delineation between the two types of opinions in the policymaking and legislative processes.
 4. In order to improve the quality assurance in the impact assessment process, which has an important role in the policy coordination system, consideration could be given to eliminating the “partial IA” opinion by the PPS, leaving a binary approach, where IA is either properly conducted or it is not recognised as performed at all. This would eliminate the immense “grey area” that creates space for politicising the IA quality assurance process and decreases the overall quality of policy analysis and impact assessment.
 - The “unnecessary – no need for impact assessment” option based on the current bylaw should be kept and applied in the future as well, for cases where proposed policy documents or regulations do not affect natural and legal persons or have negligible effects.
 5. To improve the role of inter-ministerial consultations in the policy coordination system, the Government should amend the legal framework to render formation of working groups for developing new policies and legislation mandatory and further pass secondary legislation to set out precise rules on the formation, rules of procedure, transparency of work (aligned with consultation requirements of the LPS), as well as the mandate of the institutions’ representatives in the working groups.

6. Related to recommendation no. 5, the legislation should create more precise rules for the drafting of the opinions in the final phase of the policymaking and legislative process, effectively disabling the institutions which have participated in the working group from issuing “negative” opinions, i.e. opinions which contain major objections to the draft/proposal.

- Implementation of these two recommendations, which should be observed together, would transform the working groups into the most important point of inter-ministerial policy coordination in the policy development phase, while written opinions would just remain a final check before material is sent into the Government decision-making process. Any outstanding unresolved questions and issues, especially those of political nature, would then further be tackled as part of the Government decision-making process.

7. Finally, in order to facilitate policy coordination and improvement of the policymaking, the Government should ensure maximum transparency of both the planning and reporting processes, regular publication of reports on plans and strategies, as well as improve the transparency of its sessions. Improved transparency will allow for more evidence-based external scrutiny over the policymaking and policy coordination processes, which in turn will stimulate further improvements in their quality.

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