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SUMMARIES OF MONITORING REPORTS

POLICY DEVELOPMENT AND CO-ORDINATION

The **Principles** of **Public** **Administration**

WESTERN BALKANS

February
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Summaries of Monitoring Reports

Western Balkans

The Principles of Public Administration

POLICY DEVELOPMENT AND CO-ORDINATION

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*This designation is without prejudice to positions on status, and is in line with United Nations Security Council Resolution 1244/99 and the Advisory Opinion of the International Court of Justice on Kosovo's declaration of independence.

Introduction

The Principles of Public Administration and the EU integration path – measuring the fundamentals

*The Principles of Public Administration*¹ set out what good public governance entails in practice and outline the main requirements to be followed by administrations during the European Union (EU) integration process. Good public governance is key for achieving economic growth, competitiveness and a better quality of life. Democratic governance and the rule of law require capable, accountable and effective public administrations. In its 2014 and 2018 Enlargement Strategies, the European Commission (EC) highlighted public administration reform (PAR) as one of three “fundamentals first” areas of the EU enlargement process: “Addressing reforms in the area of rule of law, fundamental rights and good governance remains the most pressing issue for the Western Balkans. It is also the key benchmark against which the prospects of these countries will be judged by the EU”².

A regional series, with a long-term perspective

SIGMA monitoring reports³ assess the state of play and progress in improving the quality of national public administrations. Given the geostrategic importance of the Western Balkans to the EU, and the ongoing accession negotiations, Support for Improvement in Governance and Management (SIGMA) conducts regular monitoring of the region. In 2017, SIGMA established a baseline in all areas of public administration. In 2019, monitoring was conducted against selected Principles. The full scope is covered again in the 2021 reports, which compare performance against the 2017 baseline and regional averages. By analysing the long-term perspective, significant changes are identified.

The assessment period was from July 2017 to July 2021. The data collection period was February-May 2021. The COVID-19 pandemic was at its peak, so in-person meetings were replaced by virtual ones. National experts provided invaluable support during this period in securing the necessary data.

Thematic summaries to provide key insights and recommendations to decision makers and selected performance data at the regional level

This document is a compilation of all summaries for the policy development and co-ordination area in the full SIGMA 2021 monitoring reports. It contains a regional summary with cross-administration analysis of the state of play and key trends since 2017, insights from key performance indicators that showed significant change at the regional level and reflections on the way forward for the region. The purpose is to provide a regional perspective for each of the thematic areas, in order to complement the more detailed monitoring reports developed for each administration.

SIGMA wishes to thank the Governments for their collaboration in providing the necessary administrative data and documentation, as well as for their active engagement during the two rounds of validation to improve the factual accuracy of all the information used. The collaboration with the Regional Cooperation Council on the Balkan Barometer has been excellent. We also thank the experts from EU member administrations who contributed to the report. Finally, the support of the EC is, as always, appreciated.

¹ OECD (2017), *The Principles of Public Administration*, OECD, Paris, <http://www.sigmaweb.org/publications/Principles-of-Public-Administration-2017-edition-ENG.pdf>.

² European Commission (2018), *A credible enlargement perspective for and enhanced EU engagement with the Western Balkans*, p. 4, [communication-credible-enlargement-perspective-western-balkans_en.pdf](https://ec.europa.eu/eip/wp-content/uploads/2018/05/communication-credible-enlargement-perspective-western-balkans_en.pdf) (europa.eu).

³ The monitoring reports are published on the SIGMA website: <http://www.sigmaweb.org/publications/monitoring-reports.htm>.

Methodology

Overall approach – focus on implementation and outcomes, analysing a variety of primary data sources against precise criteria and benchmarks for an objective assessment

*The Methodological Framework for the Principles of Public Administration*⁴ contains a set of standard indicators that SIGMA applies consistently to measure the preconditions and enablers of successful reforms (good laws, policies and procedures, institutional structures, human resources) and the actual implementation of reforms and subsequent outcomes (how the administration performs in practice).

The overall approach recognises that no single measurement method can fully capture the complex issues related to organisational and behavioural change. SIGMA uses information from administrative data, surveys, statistics, interviews, etc., which is cross-checked and triangulated to arrive at a balanced assessment.

Data sources and validation

The main quantitative and qualitative methods applied in the framework are:

- Desk reviews of legislation, regulations and reports (the most recent are analysed if adopted before July 2021)
- Interviews (conducted virtually March-May 2021 with 100+ interviewees per administration, including civil society)
- Review of cases and samples of government documentation (the most recent are analysed)
- Observations of practice and on-site verification (conducted virtually March-May 2021 with national expert support)
- Analysis of administrative data from public registries and national statistics (the most recent when possible; otherwise, from 2020)
- Surveys of the population and businesses through the Balkan Barometer (conducted February-March 2021)⁵
- Surveys of 950 contracting authorities across the region (conducted February-April 2021).

Data was collected through SIGMA's tool for data collection, analysis and validation (PAR.IS). More than 10 000 documents were received regionally for analysis. In 2021, hundreds of government officials were provided direct access to SIGMA's detailed working sheets for calculation of numerical sub-indicator values and justifications for fulfilment of each of the criteria, in addition to fact-checking the draft monitoring reports. The monitoring reports show only the overall indicator values; the detailed criteria-level analysis will be accessible in 2022 through a public portal⁶.

Indicator values reflect the level of maturity and preparedness of administrations – from 0 to 5

The indicator values provide an indication of the administrative capacity and overall performance of national public administrations. This provides an indication of the capability to effectively implement the EU *acquis* and participate in the policy-making processes of the EU.

The point allocation is constructed so that an administration can only receive an overall value of 2 on the basis of the quality of its legislative and regulatory framework; a value of 3 cannot be achieved without showing that implementation of key processes is happening in practice; and in order to obtain a value of 4, the administration needs to show a consistent achievement of relevant outcomes. The value of 5 is

⁴ OECD (2019), *The Methodological Framework of the Principles of Public Administration*, OECD, Paris, <http://www.sigmaweb.org/publications/Methodological-Framework-for-the-Principles-of-Public-Administration-May-2019.pdf>.

⁵ Regional Cooperation Council, <https://www.rcc.int/balkanbarometer/home>.

⁶ OECD, Principles of Public Administration Data Portal [database], <https://par-portal.sigmaweb.org/>.

reserved for outstanding performance and full compliance with the Principles and the standards for good public governance.

In 2021, averages of the indicator values were also calculated for each of the six thematic areas of *the Principles of Public Administration*. This enables a comparison of overall trends across the whole administration over time and across the region

Understanding how the indicator values are calculated

Across the six thematic areas, the framework is composed of 48 Principles. Each Principle has one or two indicators. There are 52 indicators in total, with 340 sub-indicators and 1 000 individual criteria. Indicator values are presented at the top of the overview tables, on a scale from 0 (lowest) to 5 (highest). The indicator value is based on the total number of points received for the sub-indicators. The point conversion tables are accessible in the Methodological Framework.

If the required information to assess a sub-indicator is not available or is not provided by the administration, 0 points are awarded. All data requested is needed for a well-functioning public administration, and SIGMA does not estimate performance without adequate evidence.

The monitoring exercise of Bosnia and Herzegovina is being conducted in two phases. In 2021, the areas examined were: policy development and co-ordination, accountability and public financial management (PFM), except external audit. In 2022, SIGMA will study strategic framework of PAR, public service and human resource management (HRM), service delivery and external audit. Therefore, regional data comparisons are based on five or six Western Balkans administrations (WB5 or WB6).

Codes used in this report

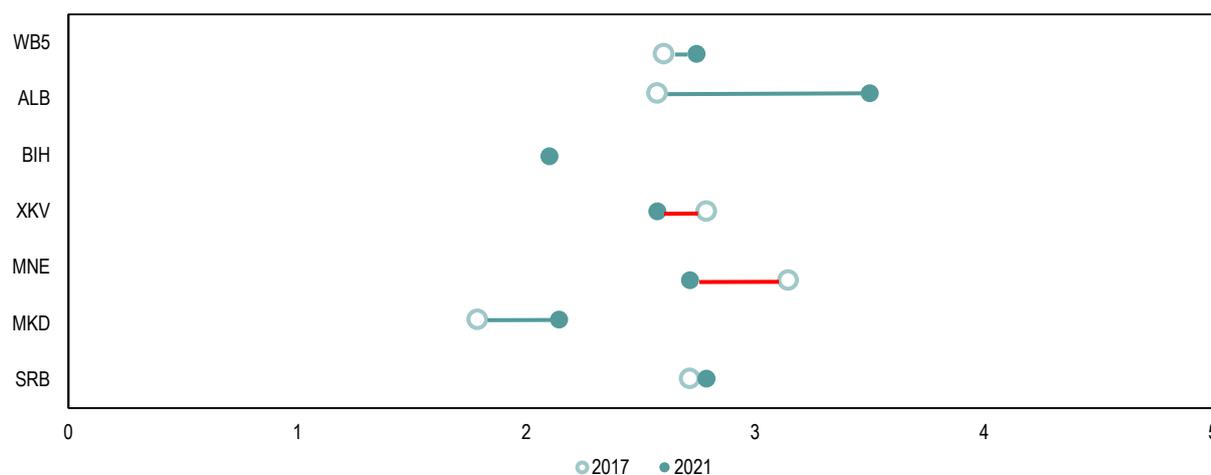
ALB	Albania
BIH	Bosnia and Herzegovina
XKV	Kosovo
MNE	Montenegro
MKD	Republic of North Macedonia, (hereafter “North Macedonia”)
SRB	Serbia
WB5	Western Balkan administrations without Bosnia and Herzegovina
WB6	Western Balkan administrations including Bosnia and Herzegovina

Regional summary

State of play and regional trends

Between 2017 and 2021 the Western Balkans administrations recorded modest progress in policy planning, policy development and co-ordination. The regional average value of the policy development and co-ordination area increased slightly, from 2.60 in 2017 to 2.74 in 2021⁷. Progress was driven mainly by improvements in Albania, North Macedonia and Serbia, which all enhanced certain elements of the methodological and regulatory frameworks for policy making and policy planning.

Figure 1. Advancements mainly in Albania, North Macedonia and Serbia have contributed to the slight increase in the overall regional policy development and co-ordination indicators compared to 2017.



Note: Progress for the region is shown for all administrations except Bosnia and Herzegovina (WB5). SIGMA changed the method of calculating country-level indicator values for Bosnia and Herzegovina in 2021, making direct comparison with 2017 unreliable.

Since 2017, the indicators measuring evidence-based policy making, stakeholder engagement and interministerial consultation show greater improvements in many Western Balkan administrations, mainly due to the adoption of key regulations and of previously missing guidelines, as well as a better and more consistent application of existing tools of regulatory policy management in practice. Nevertheless, all administrations still face major challenges in ensuring fully harmonised and effectively functioning government planning and co-ordination systems, including planning, monitoring and reporting on European Union integration (EI) and further strengthening of the quality, relevance and impact of key regulatory management tools, such as regulatory impact assessment (RIA) and public consultation.

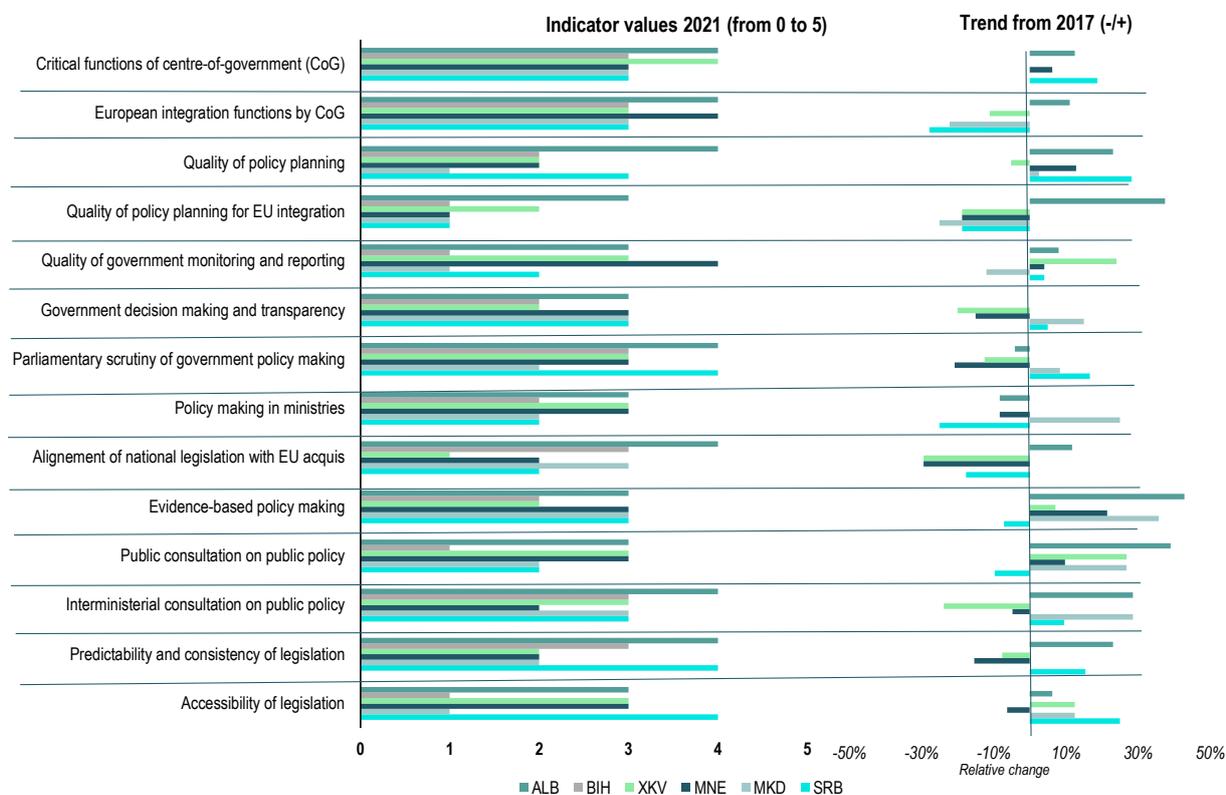
⁷ When comparing to 2017, the regional average does not include Bosnia and Herzegovina, as 2017 comparable data does not exist. If the 2021 Bosnia and Herzegovina result is included the regional area average is 2.64.

Figure 2. Visible improvements in evidence-based policy making and public consultation on public policy



Source: OECD, Principles of Public Administration Data Portal [database], <https://par-portal.sigmaweb.org/areas/2/> (accessed 15 February 2022)

Figure 3. Mixed results across different policy development and co-ordination indicators; major challenges remain in many administrations, including in EI planning, co-ordination and transposition



The main centre-of-government (CoG) functions are formally established, but weaknesses remain in implementation and co-ordination.

All Western Balkan administrations have formally established most of the critical CoG functions⁸ necessary for effective policy co-ordination, communication and smooth functioning of government decision making. Different models of CoG are established in the region, and they often involve several government institutions responsible for performing various CoG functions. Co-ordination of work between and within different CoG institutions, which is essential for effective government policy making, remains a challenge for all administrations. Compared to 2017, some improvements have been recorded in the availability of central guidelines to support line ministries in their work, but gaps also remain in this area in some administrations. CoG bodies co-operate and co-ordinate with each other during the preparation of government annual work plans only in Albania and Kosovo. At the same time, co-ordination within and between the General Secretariats, Offices of the Prime Minister and/or similar CoG institutions during the review of individual policy proposals remains weak in all Western Balkans administrations.

All administrations have also formally established the critical functions⁹ for co-ordination of EI activities and processes. They have also developed required guidelines to support implementation of these critical EI functions. However, the formal mechanisms and co-ordination bodies for EI, both at the political and administrative levels, were not found to be fully functional in any of the administrations of the region (as of June 2021). Infrequent meetings and weaknesses in the functioning of central co-ordination bodies do not ensure timely and substantive discussions to identify and address implementation challenges.

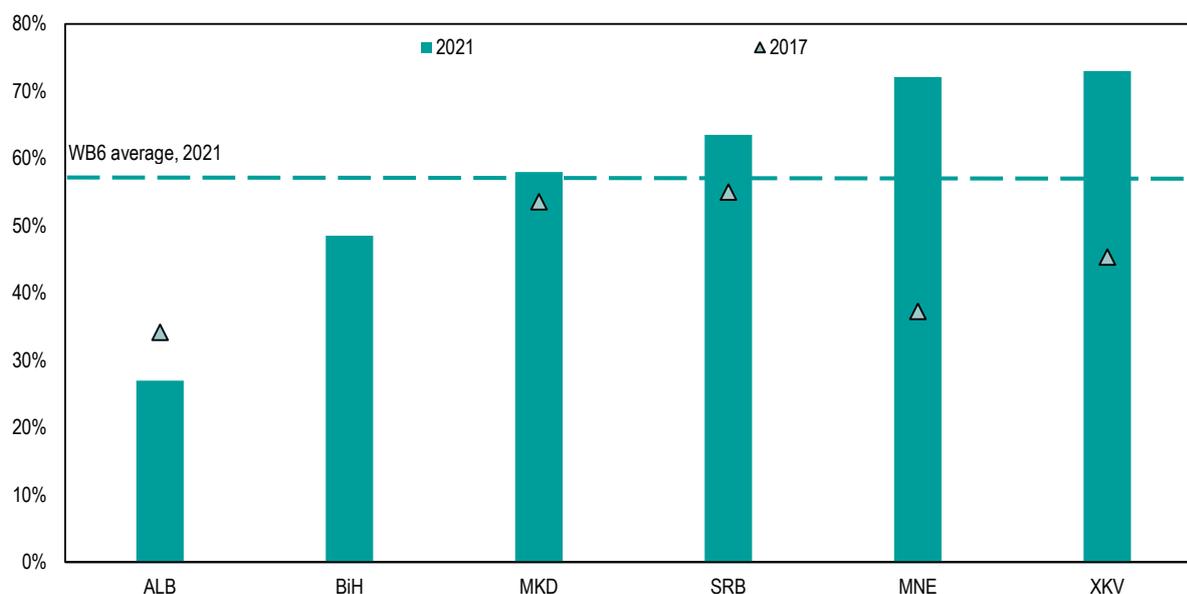
No major improvements in the quality of planning or monitoring of government work; gaps and weaknesses exist in EI planning and monitoring in many administrations

Overall in the region, the quality of government planning has improved slightly since 2017, but major challenges remain in enabling a fully harmonised and an effectively functioning planning system of government work. Administrations face different types of challenges, such as gaps in the methodological frameworks, limited co-ordination and central guidance, which result in weak planning and implementation of government work. For example, the share of legislative commitments that are not implemented on time and are thus carried forward from one year to the next remains excessively high for most administrations (Figure 4).

⁸ OECD (2017), The Principles of Public Administration, Paris, p. 19, <https://www.sigmaweb.org/publications/Principles-of-Public-Administration-2017-edition-ENG.pdf>.

⁹ OECD (2017), The Principles of Public Administration, Paris, p. 21, <https://www.sigmaweb.org/publications/Principles-of-Public-Administration-2017-edition-ENG.pdf>.

Figure 4. In most administrations, the quality of legislative planning has declined since 2017, as evidenced by excessively large shares of planned legislative initiatives carried forward from one year to the next



Note: The results are based on the analysis of the 2016/2017 and 2020/2021 government annual work plans (legislative commitments). The Bosnia and Herzegovina country result is calculated by taking the simple arithmetic average of the three levels: the State level, the Federation of Bosnia and Herzegovina and the Republika Srpska. Comparable data only exists for 2021.

The quality of sectoral and cross-cutting strategies, which form an important component of the overall government strategic planning system, has slightly improved since 2017. Most of the sector strategies analysed during the 2021 monitoring met the minimum quality requirements, such as the availability of adequate analysis and definition of the policy problem and objectives, as well as provision of minimal cost estimates of planned measures. However, weaknesses remain in ensuring full alignment between policy and financial plans. Additionally, individual activities in the sectoral action plans were not always found to be included in the government annual work plans, which can create confusion and inefficiency in overall government planning and implementation. Planning of sector strategies has also worsened in most administrations since 2017, as the adoption of a large share of planned sector strategies was carried forward to the next year.

All administrations have established the necessary legal and regulatory basis to achieve harmonised planning of EI work, but implementation has been inconsistent and slow. The status of EI planning documents is clearly established, and the roles and responsibilities of key institutions are defined in regulations in all administrations except Montenegro. Challenges remain in actual implementation, as a large number of EI-related legislative commitments were not adopted as planned, including in Montenegro and Serbia. North Macedonia did not have a valid EI plan after the previous National Plan for the *Acquis* Alignment expired in 2019. Administrations in Bosnia and Herzegovina have initiated work to elaborate a new Programme of Integration, but it is yet to be finalised. For most administrations, the costing of the EU integration plans and their alignment with other planning documents remains a challenge. This is particularly the case for Albania and Serbia, as evidenced by a large share of EI measures not included in their annual work plans in 2021. In Kosovo and North Macedonia, valid EI plans were not in place at all. As a result, there is a slight reduction in the regional average of the relevant indicator value for 2021 compared to 2017.

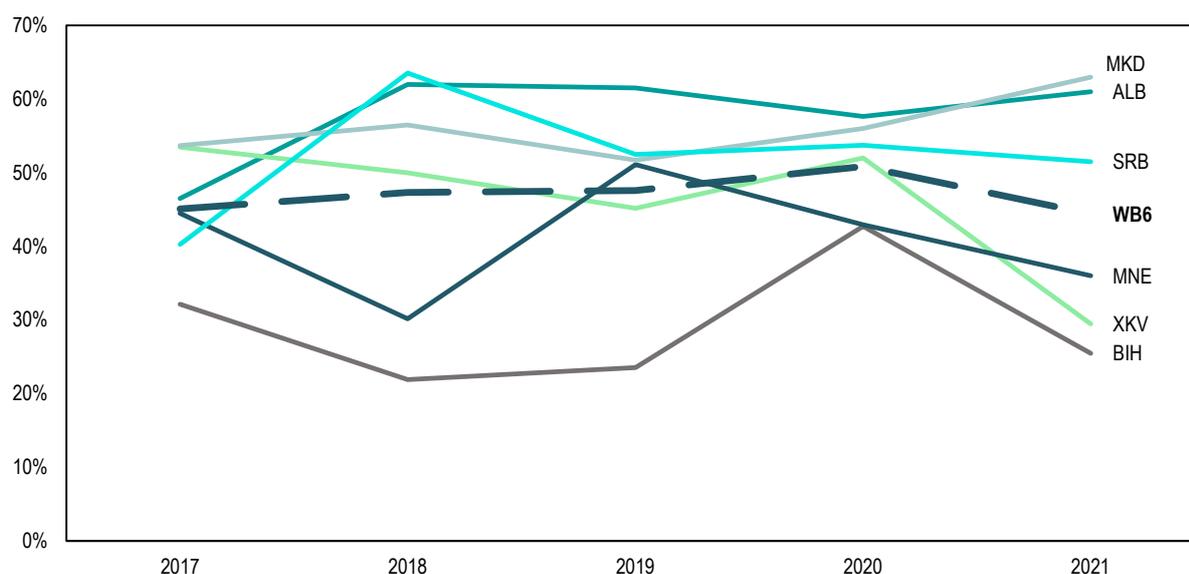
The quality of government monitoring and reporting has slightly improved in the region since 2017, largely driven by a strengthened legal framework and a better quality of sample reports in 2021. At the same time, the indicator value measuring the public availability of key government reports has fallen since 2017, as only the annual report on the implementation of the state budget is systematically published in all administrations. Monitoring reports on the implementation of government work plans and reports on sector strategies are not regularly published in many administrations. For the reports that are published, they

primarily focus on activities and do not provide information about progress towards the achievement of objectives and outcomes.

Processes and rules are established to support government decision making, but challenges remain in parliamentary scrutiny of government policy making

In general, all administrations have established adequate legal frameworks and mechanisms for organising and effectively managing government sessions, ensuring overall openness and transparency of government work. No tangible overall progress has been recorded since 2017, however, as various challenges remain in the administrations, particularly when it comes to ensuring timely preparation and submission of items for government approval and advance publication of all key documents such as agendas of government sessions. Serbia is the most consistent in enforcing key quality-control procedures and checks before government sessions, while other administrations still face challenges, particularly when it comes to conducting reviews and checks on the coherence of draft policy proposals with the government's priorities and previously announced policies. Different electronic tools are utilised to organise and manage the preparatory work for government sessions. These online tools have proved to be particularly useful for many administrations during the COVID-19 pandemic. All government decisions are made available online in most administrations, except Kosovo, Serbia, and some levels of administration of Bosnia and Herzegovina. Furthermore, the draft agendas of upcoming government sessions are published in advance only in Montenegro. Overall, the perceived clarity and stability of government policy making by businesses in the region has remained unchanged at about 48% in 2017 and 2021 (Figure 5).

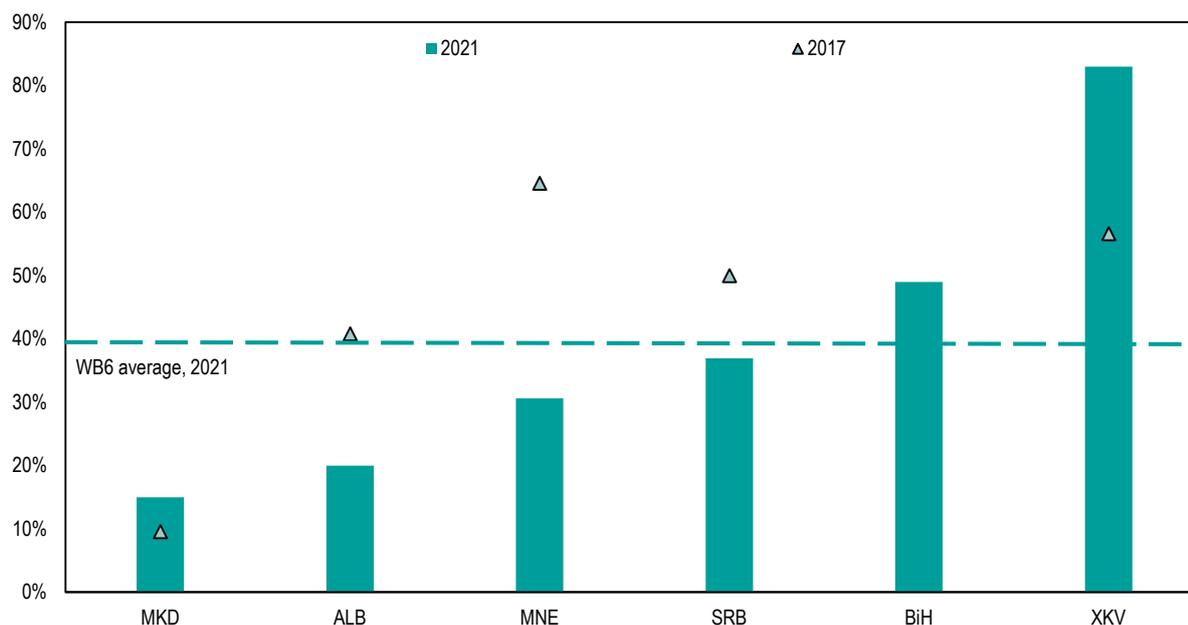
Figure 5. The perceived clarity and stability of government policy making has remained largely unchanged for the period of 2017-2021



Source: Regional Cooperation Council (RCC) (2021), Balkan Barometer Business Opinion database (<https://www.rcc.int/balkanbarometer/>).

The quality and effectiveness of parliamentary scrutiny of government policy making has slightly improved since 2017, but major challenges remain. Co-ordination between legislative activities and the work of the parliament and government is not effectively organised or managed in most administrations. Regular meetings between administrations of the executive and legislative branches to discuss and plan legislative work of the parliament take place only in Albania. A large share of government-sponsored laws considered by the parliaments does not originate from the approved government work plans in most administrations (Figure 6). This is an issue particularly for Albania, Montenegro, North Macedonia and Serbia. In addition, governments are not consulted systematically on the new draft laws initiated by members of parliament in many administrations. Finally, parliaments of the region do not appear to have adequate mechanisms or practice systematic evaluation and review of major laws and policies.

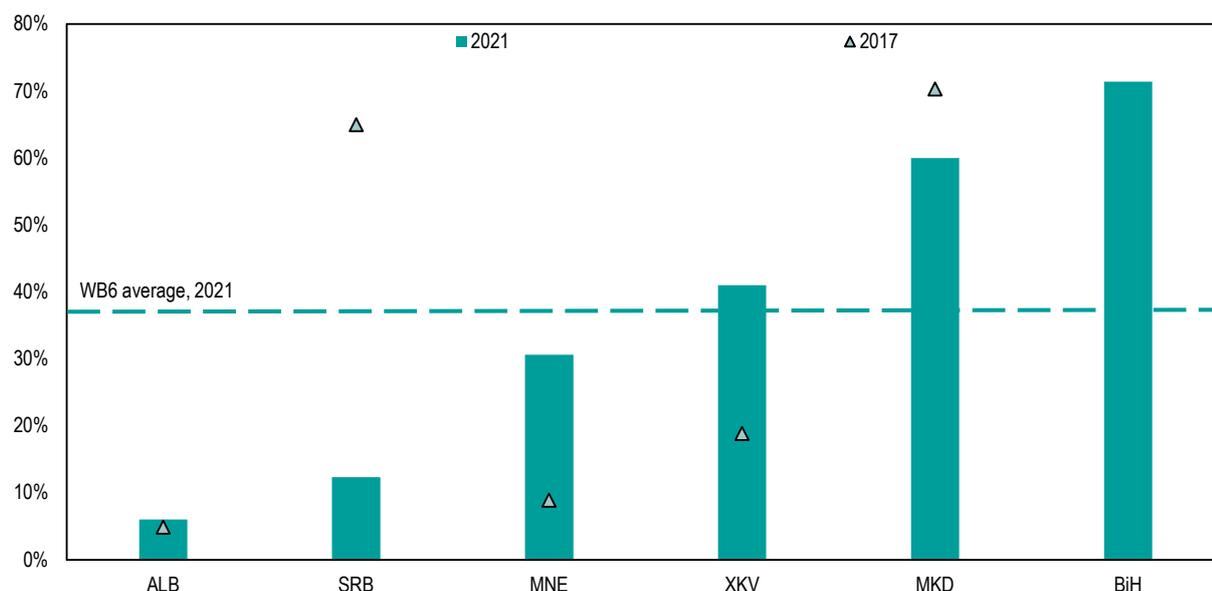
Figure 6. Large shares of approved government-sponsored laws bypass government legislative planning in several administrations



Note: Based on the review of the government legislative plans and actual laws considered by the parliament in the previous calendar year (2016 and 2021). The data shows the share of approved government-sponsored laws that were not included in the official government legislative plans. The Bosnia and Herzegovina country result is calculated by taking the simple arithmetic average of the three levels: the State level, the Federation of Bosnia and Herzegovina and the Republika Srpska. Comparable data only exists for 2021.

Several administrations continue using excessively the shortened or extraordinary proceedings to prepare, process and adopt government-sponsored laws (Figure 6). Excessive use of shortened proceedings limits the time and possibility for adequate review and debates of new proposals before they are adopted by the parliament, compromising the overall quality of legislation. The parliament of Albania does not overuse this type of procedure, and Serbia has also improved since 2017. Despite some improvement since 2017, North Macedonia continues processing a large number of laws using extraordinary or shortened procedures.

Figure 7. Many administrations continue using extensively shortened or extraordinary proceedings to approve laws (% of all approved laws)



Note: Based on the review of legislative activities of the most recent full calendar year before the assessments (2016 and 2020). The Bosnia and Herzegovina country result is calculated by taking the simple arithmetic average of the three levels: the State level, the Federation of Bosnia and Herzegovina and the Republika Srpska. Comparable data only exists for 2021.

Further institutionalisation and more consistent use of tools for evidence-based and participatory policy making since 2017, but the overall impact of these tools on quality of policies remains limited

Overall, line ministries in the region have an adequate mandate for initiating and managing the policy-making process, but most lack detailed internal rules and procedures to clarify roles and responsibilities of different units of ministries in order to ensure effective internal co-ordination and consultation to help improve quality of policy making. Based on the review of sample cases, there is no evidence in any of the administrations of consistent and full consultation of all key internal ministerial units during policy making.

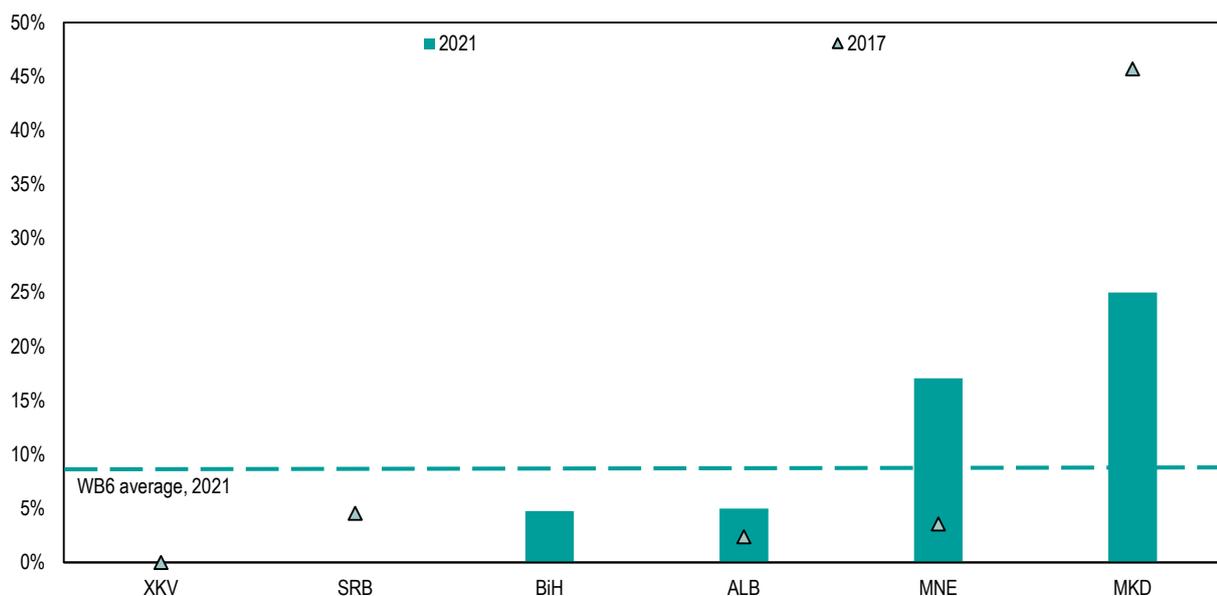
The effectiveness and quality of transposition of the European Union (EU) *acquis* has declined slightly compared to 2017. While administrations of the region have the necessary procedures and requirements in place to ensure informed transposition of the EU *acquis*, the actual implementation of the transposition plans was weaker in 2021 than in 2017 (except for Albania). Most administrations, with the exception of Bosnia and Herzegovina and North Macedonia, have challenges in ensuring timely translation of the original EU law to help plan and implement evidence-based transposition.

RIA and public consultations, as the two main regulatory management tools for ensuring evidence-based and participatory policy making, are now formally established and used in all administrations of the Western Balkans. Albania was the last administration to formally introduce and institutionalise RIA in policy making in 2019. The indicators for these two areas have shown noticeable improvements compared to 2017, largely in the recognition of strengthening of the regulatory and methodological frameworks and more consistent implementation of the existing formal rules. The consistency of conducting public consultation has improved significantly in most administrations since 2017. Still, the use and impact of these tools to improve design and quality of final policies have not seen much progress since 2017 in most administrations. This relates particularly to systematic analysis and use of feedback received during public consultation to inform the final policy design, analysis and approval.

The regulatory framework is also adequate for ensuring effective interministerial consultation in all administrations. Ensuring consistent and full implementation of the formal rules, such as allowing sufficient time for review and commenting during interministerial consultations and consulting sufficiently with all key ministries and CoGs during policy development, are areas for improvement for all administrations.

Key regulations and guidance for ensuring the quality of legal drafting is in place in the region. Quality control of legal drafting is established and consistently implemented in all administrations, except Kosovo and some levels of administration in Bosnia and Herzegovina. The share of laws amended one year after being adopted remains high in Montenegro and North Macedonia (Figure 7), further highlighting weaknesses in the quality of legislative drafting and planning. The sub-legal acts that are necessary for implementing laws are usually not adopted before the respective laws take effect, thereby reducing legal clarity and causing unnecessary implementation challenges.

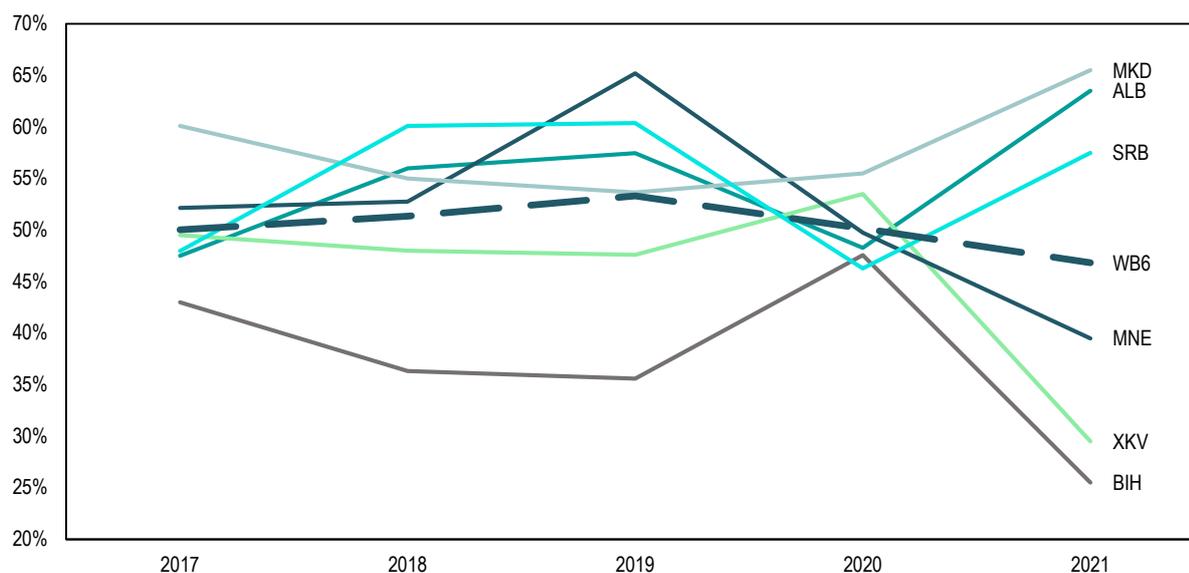
Figure 8. The share of laws amended within one year after adoption remains high in several administrations, which suggests underlying weaknesses in the quality of planning and legislative drafting in the region (%)



Note: The assessment results are based on the review of cases of amendments of approved new laws adopted in previous two years preceding the assessment year (2015/2016 and 2019/2020). Kosovo and Serbia had no laws amended. The Bosnia and Herzegovina country result is calculated by taking the simple arithmetic average of the three levels: the State level, the Federation of Bosnia and Herzegovina and the Republika Srpska. Comparable data only exists for 2021.

All primary and secondary legislation are still not accessible online and free of charge from official central sources in several administrations, particularly Albania, Bosnia and Herzegovina and North Macedonia. The accessibility of consolidated versions of primary and secondary legislation in all administrations is not ensured, either, except in Serbia. The perceived availability of laws and regulations affecting businesses shows a slight decline on average for the region compared to 2017 (Figure 9).

Figure 9. Perceived accessibility and availability of key laws and regulations affecting businesses has slightly deteriorated compared to 2017



Source: Regional Cooperation Council (RCC) (2021), Balkan Barometer Business Opinion database (<https://www.rcc.int/balkanbarometer/>).

The way forward

- Further empower and strengthen the CoGs and improve their internal co-ordination to ensure more consistent implementation of all essential 'gate-keeping' functions and achieve stronger policy co-ordination and policy coherence.
- Make additional efforts to operationalise and systematically use national structures and instruments for EU integration co-ordination, planning, monitoring and reporting.
- Improve the existing mechanisms for co-ordination and co-operation between the government and the parliament for better legislative planning to reduce the share of laws adopted by shortened procedures, ensure more systematic review by government all draft laws initiated in the legislative branch and achieve more systematic scrutiny of major policies by the parliament.
- Apply regulations and methodologies for RIA and public consultations more consistently and fully in practice, enhance capacities of line ministries and CoGs to improve the quality of policy analysis and ensure early planning and implementation to increase their use and impact in policy design and final decision-making.

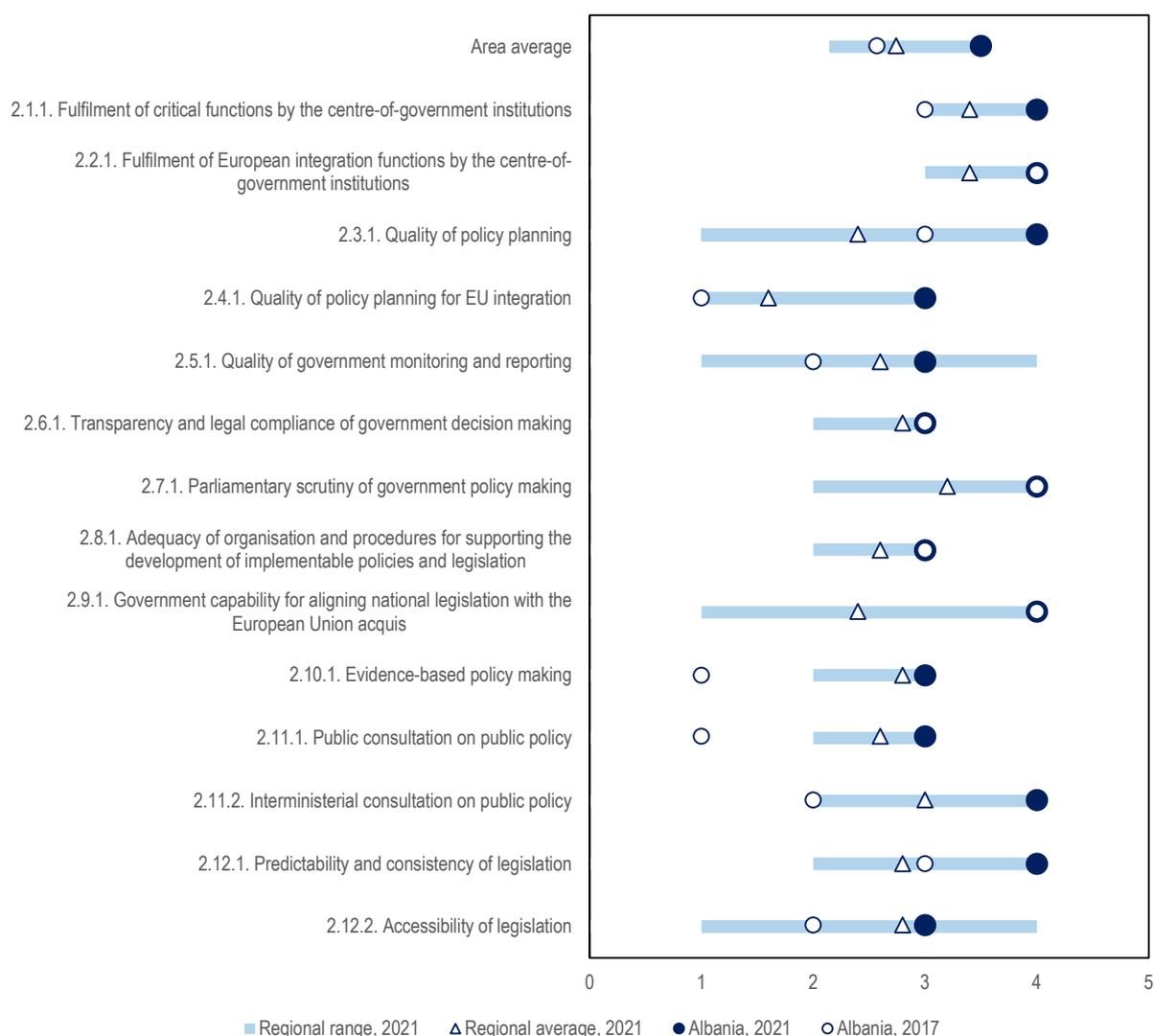
Albania

Albania

Summary and recommendations

Albania's performance in the area of policy development and co-ordination has been strong and has shown improvement. By comparison with other Western Balkan countries, it received the highest value for many indicators, and its overall average value and individual indicator values have risen from 2.6 in 2017 to 3.4 in 2021, the highest in the region. This improvement is largely a recognition of the institutionalisation of Albania's *ex ante* tools for policy development and the development of new regulations and systems for government planning. However, many challenges have yet to be addressed. Particularly by ensuring systematic implementation of all new processes and tools, the government has laid the foundation for further improvements in areas such as centre-of-government (CoG) co-ordination, strategic planning, regulatory impact assessment (RIA) and public consultation.

Good progress has been recorded in most indicators since 2017



Key CoG functions are all formally assigned to the Office of the Prime Minister (OPM) and other institutions. The recent efforts of the administration to adopt an OPM Rulebook in order to improve the internal organisation and functioning of the OPM, as the key CoG institution, are not yet complete. Co-ordination between the CoG and line ministries and other agencies in planning and monitoring of government work is limited. The development of the Integrated Planning System (IPSIS) is an important milestone. IPSIS has been formally launched, but it is not yet fully operational, and many improvements and expected benefits depend on the system being rolled out and operational. The medium-term policy-planning set-up is still fragmented, and the planning processes and plans are not fully aligned. Developing a new regulatory basis to address fragmentation and clarify and streamline rules and procedures, as well as a full operationalisation of IPSIS are important priorities for this area.

As for co-ordination of European integration (EI), the co-ordination structure established in 2019 functions effectively on the administrative level, but not on the political level. The State European Integration Committee met infrequently in 2020. Making progress in this area should be a priority, as strong political leadership is essential for advancing European Union (EU) integration and for establishing co-ordinated policy development to ensure further alignment of national legislation with the EU *acquis*. An enhanced, integrated planning system, through the IPSIS, has laid a solid basis for better alignment of domestic and EI planning. At the moment, the adoption of the NPEI has been delayed every year, and the plan itself is not satisfactorily aligned with the Government's annual plan.

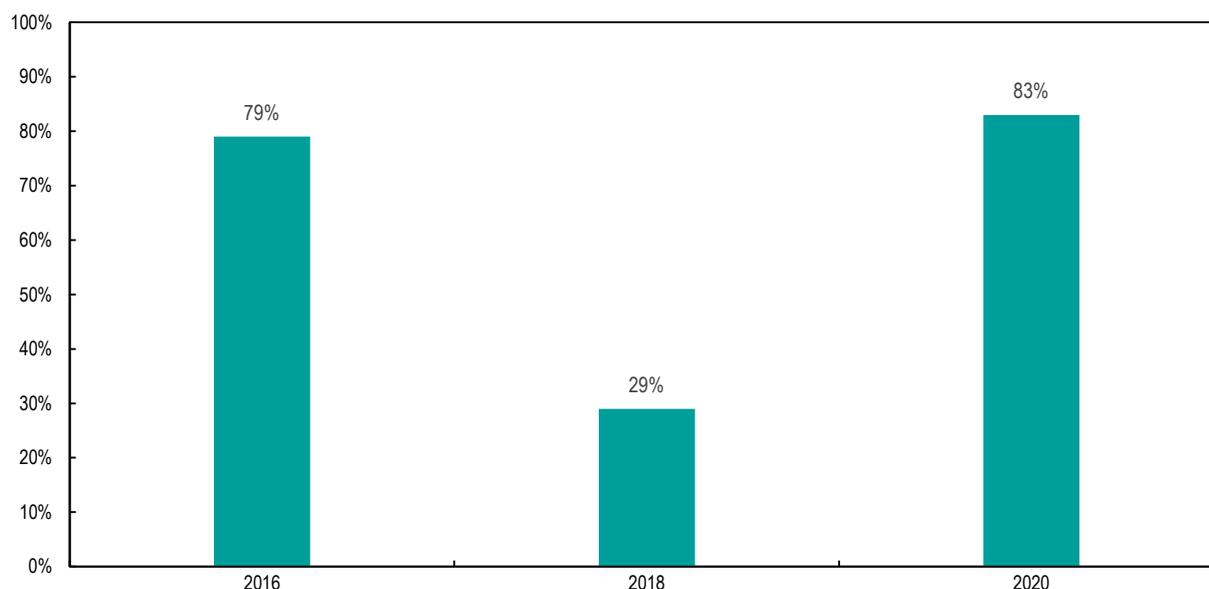
Governmental decision making is not transparent enough. The government publishes its decisions after a session, but the agendas for Government sessions are not announced in advance. There is no public communication in which the key decisions could be explained in an easily understandable way. The Parliament rarely discusses and evaluates the implementation of laws and governmental policies, which weakens the overall level of scrutiny of the government's work.

Overall, the quality and stability of legislation is high. The share of laws amended within one year of their adoption is low, which suggests that the legal environment is predictable, and that legal drafting is effective. Of 98 new laws adopted by the Parliament in 2019, only 5 were amended by the Government within one year. Moreover, in most cases, the Government adopts mandatory bylaws in a timely manner, which allows for full implementation of new laws.

A more active approach to monitoring the implementation of *acquis* alignment plans is in place, including weekly reports to the OPM and the Chief Negotiator. This has helped reduce the number of legislative commitments carried forward from 2020 to 2021 to 13% (the corresponding figures in previous monitoring assessments were 44% in 2017 and 73% in 2019¹⁰). This has also helped increase the implementation rate of legislative commitments for *acquis* alignment to 83% in 2020 compared to 29% in 2019, 79% in 2017.

¹⁰ OECD (2017), *Monitoring Report: Albania*, OECD, Paris, <http://www.sigmaweb.org/publications/Monitoring-Report-2017-Albania.pdf> and OECD (2019), *Monitoring Report: Albania*, OECD, Paris, <http://www.sigmaweb.org/publications/Monitoring-Report-2019-Albania.pdf>.

Active monitoring has significantly improved the implementation rate of planned legislative commitments for EU *acquis* alignment



Note: Implementation rates from 2016, 2018 and 2020 are taken from the SIGMA Monitoring Reports of 2017, 2019 and 2021.

The Rules of Procedure (RoP) of the Government were amended in 2018 to institutionalise *ex ante* analysis of regulatory proposals. The system of RIA, a key component of evidence-based policy making, is relatively recent, but is in place: the regulation requires impact analysis for all draft acts submitted to the Council of Ministers (CoM). The priority now is to ensure that line ministries have the skills and resources to prepare analysis of good quality and that quality control is systematically ensured. Implementation of RIA on secondary legislation, however, has not yet started, even though it is required by regulations. As with other aspects of policy development and co-ordination, progress has been made since 2017, and the challenge for the government is to build the culture and routines that will help ensure that recent efforts yield their full benefits.

Public consultation on key policies has not been successful in generating comments and feedback from stakeholders and ensuring meaningful input in final policy design. In the past, the process has thus not had a strong impact on policy making. A new guideline on public consultation, introduced in 2021, should help to improve the situation, with more rigorous quality checks now formally in place. This was one of the most important shortcomings of the previous system. Efforts in this area, and other initiatives to improve transparency, should have a positive effect on the quality of policy and increasing public trust in government.

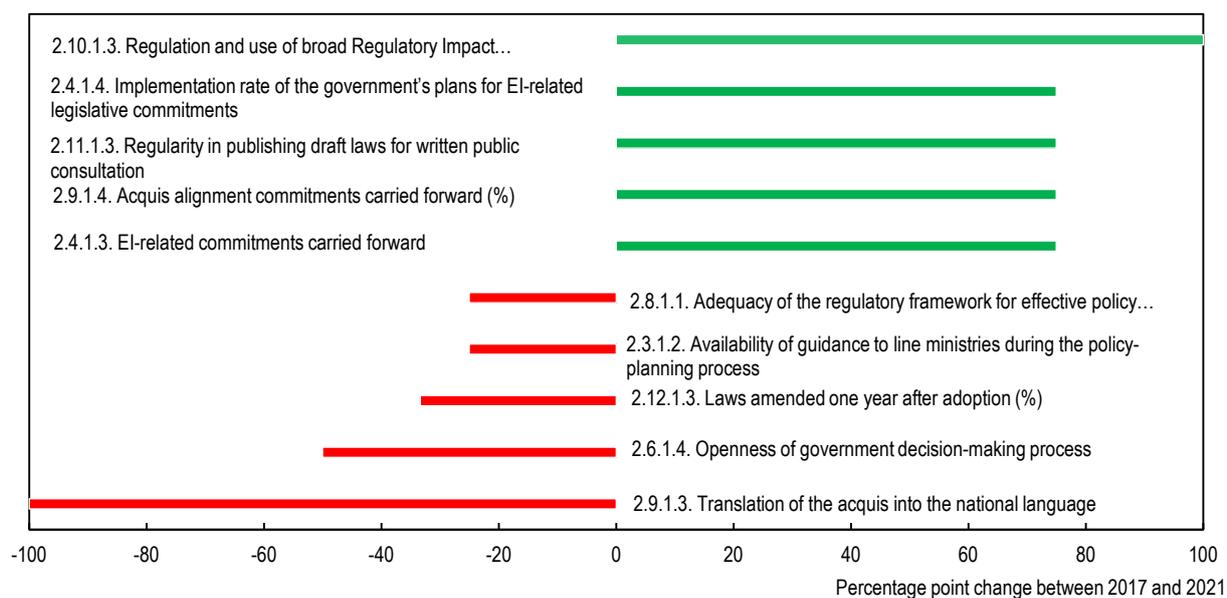
Short-term recommendations (1-2 years)

- 1) The Government should strengthen the capacities of the OPM, as the key CoG institution for carrying out all key functions. The OPM should finalise and approve a detailed Rulebook to clarify and confirm the roles and responsibilities of various units in performing the core CoG functions, and it should ensure that adequate guidance and support is provided to ministries for better policy co-ordination.
- 2) The OPM should fully operationalise the new IPSIS system, with all its modules and functionalities, and ensure that all ministries are using it consistently for planning, monitoring and reporting. A continuous programme for capacity building should be developed for all staff, so they can use the system effectively. The capacity of the relevant unit in the OPM should be enhanced to provide continuous oversight and quality control, and to provide guidance and support to ministries throughout the various phases of policy planning and development managed by IPSIS.
- 3) The respective institutions (i.e. the OPM and the Ministry for European and Foreign Affairs [MEFA]) should ensure that the General Annual Work Plan (GAWP) and the EI plan are developed simultaneously, to make sure the EI plan is adopted on time and fully aligned with the GAWP. The State Committee for European Integration (SCEI) should increase its presence as a political-level co-ordinating body of the EI process and should meet regularly.
- 4) The OPM should ensure that the agendas of the government sessions are published in advance and communicate to the public the key decisions that have been taken, in an easily understandable way.
- 5) The Parliament should introduce the practice of discussing the implementation of key laws and policies on a regular basis.
- 6) The Government should ensure full enforcement of the RIA methodology across the ministries, including for secondary legislation, by increasing its quality control and oversight, and continuing to provide training for key officials. The Government should initiate RIA on secondary legislation, aiming to analyse the impact of the most significant regulatory proposals introduced through secondary legislation, in a proportionate and targeted manner. Special attention must be paid to identifying alternative options to regulation and to accurate assessment of costs and benefits.
- 7) The RoP should be revised to give the OPM's regulatory directorate a stronger oversight role in issuing formal opinions on the quality of RIA reports, including a mandate to return the items to the lead ministries in case the analysis is inadequate.
- 8) The OPM should ensure full enforcement of the recently adopted guideline on public consultation, monitor implementation of the rules and prepare and publish annual reports on public consultation, to deal with any challenges in implementation.
- 9) The Official Registry should ensure that all pre-1998 legislation that is effectively valid and in force is accessible electronically through the centralised platform.

Medium-term recommendations (3-5 years)

- 10) The Government should plan and carry out an evaluation of the new government planning and monitoring system, in particular on the effectiveness and impact of the IPSIS system on the quality of final plans and monitoring reports.
- 11) The Government should finalise the development of the integrated planning system and revise the fragmented medium-term policy-planning set-up. This would involve both drafting a new legislative framework for planning and continuing efforts to roll out the IPSIS system.

The five highest percentage point increases and decreases for all sub-indicators in the area compared to 2017. Regulatory management and EI planning have seen clear improvements compared to 2017



Bosnia and Herzegovina

Bosnia and Herzegovina

Summary and recommendations

Overall, there have been no major changes in the policy development and co-ordination area in Bosnia and Herzegovina (BiH) since the 2017 SIGMA assessment. As different methodological approaches have been applied, it is not possible to make direct comparisons between the indicator values in the 2017 and 2021 assessments.

Most of the key centre-of-government (CoG) functions have been established at all administrative levels of government of BiH, with exception of the function of co-ordinating policy content of proposals before final adoption. There are no formalised and institutionalised co-ordination arrangements between the CoG institutions that allow them to check and harmonise their opinions on the quality of proposed policies and thus provide coherent and clear advice for final decision-making by the administrations. While interministerial consultation processes are regulated at all levels, the outcomes of these processes are not clearly presented to governments.

While government work-planning and monitoring processes, legal drafting and policy-making processes and tools (such as application of regulatory impact assessment and public consultations on new policies) are mostly regulated and supported, detailed guidelines on sector strategic planning exist only in the Republika Srpska (RS) and the Brčko District (BD). It should be noted that both the Federation of Bosnia and Herzegovina (FBiH) and the RS have recently introduced new regulatory frameworks on strategic planning systems, but their impact on the quality of planning is yet to be seen. It should also be noted that the State level is the only one that has no regulatory framework for sector strategic planning. Challenges and weaknesses exist in the quality of planning documents and actual implementation across all levels of BiH administration.

There are significant issues with monitoring and reporting practices for key government and policy-planning documents at all levels, especially in regard to the quality and consistency of monitoring and the use of outcome-oriented indicators and in clearly showing progress in achieving the set objectives. Monitoring reports on planning documents are not prepared regularly and are not proactively published and made available to citizens online. The review of samples provided during the assessment shows that there are major shortcomings in the quality of monitoring reports. The analysis is mostly rudimentary, providing very limited information on the impact of policy changes.

The European integration functions, such as daily co-ordination, planning and monitoring and legal harmonisation rules and procedures, are mostly in place from a regulatory perspective, as is the guidance institutions need to carry out their tasks regarding the process. However, current practice shows deviations from regulations, as there is still no adopted countrywide Programme of Integration setting out clear tasks and deadlines for actions related to European integration, and the co-ordination forums do not meet as frequently as envisaged. It should be noted that the RS is currently the only level with a formally approved EI action plan.

The legislative branches at all administrative levels have well defined regulations and procedures for scrutiny of the work of the executive level. It should be noted, however, that extensive use of urgent procedure for approval of laws can be observed, as well as limited discussion on implementation of laws and policies.

Regulatory impact assessment, as an *ex ante* tool for policy analysis, is formally established at all levels, but it is not systematically and fully used in practice. The same applies to public consultations. While regulatory requirements are in place, the actual practice is of limited quality, and outcomes of consultations are hard to trace. As a result, the impact of these essential policy-making instruments on the quality of policy design in BiH is minimal.

Short-term recommendations (1-2 years)

- 1) The Council of Ministers (CoM) of BiH, the governments of the FBiH, the RS, and the BD should ensure that the new whole-of-BiH European integration planning document (the Programme of Integration) is finalised and adopted as soon as possible. The political level coordination forum (the Collegium for EU integration) and the administrative-level coordination forum (the Commission for European Integration) should meet more regularly, monitor implementation of the Programme of Integration and take action to ensure more efficient and effective implementation.
- 2) The CoM of BiH should set up a legal framework for sectoral strategic planning and start implementing it. It should also carry out extensive capacity building of civil servants involved in sector policy planning. The FBiH and the RS should ensure full and consistent implementation of the procedures and standards set by the legal frameworks of their new planning systems.
- 3) Capacities of the CoGs at all administrative levels should be enhanced to provide the necessary guidance and support during implementation of the legal frameworks for sectoral strategic planning, as well as to carry out final checks and quality control of draft planning documents.
- 4) The CoM of BiH and the governments of the FBiH, the RS and the BD should establish a formal requirement to proactively publish online reports on implementation of key planning documents that include information on progress towards achievement of set objectives and outcomes.
- 5) The Rules of Procedure (RoP) of the Government of FBiH should be amended to foresee that the Office for European Integration becomes a formal part of the interministerial consultation process and to ensure that developed policies and planning documents are coherent and consistent with the EI process of the country.
- 6) The CoM of BiH and the governments of the FBiH, the RS and the BD should formally designate an institution (preferably a CoG body) to be in charge of scrutinising the quality of the public consultation process as well as the quality of reporting on this process and its outcomes. Also, a proactive system of informing stakeholders about upcoming consultations should be set up at all levels of government of BiH.
- 7) All administrative levels of BiH should ensure implementation of the existing rules and procedures for conducting *ex ante* Regulatory Impact Assessment (RIA) on regulatory proposals in line with the existing methodologies, targeting the most significant policy proposals first.

Medium-term recommendations (3-5 years)

- 8) The CoM of BiH and the governments of the FBiH, the RS and the BD should establish the function of co-ordination of policy content of proposals heading for approval within their respective CoG institutions, to ensure closer formal and informal co-ordination in regard to both policy planning and policy development. The respective CoG institutions should have a right to analyse draft proposals and send them back to initiating institutions if the package content is not coherent and consistent with set government priorities and previously announced policies.
- 9) All levels of the BiH administration should ensure systemic monitoring of implementation of sectoral policy-planning documents, by setting the quality requirements and reviewing the procedures, and should put in place activities to build the capacities required for these purposes. These monitoring reports should also be proactively published on line.
- 10) The ministries of the State level, the FBiH, the RS and the BD should establish clear internal rules to ensure that policy development and drafting of legislation are well-co-ordinated and that key elements, such as public consultation, are well prepared. On all levels, the executive branch should ensure sufficient staff capacities for ministries to implement requirements for impact assessment and consultation.

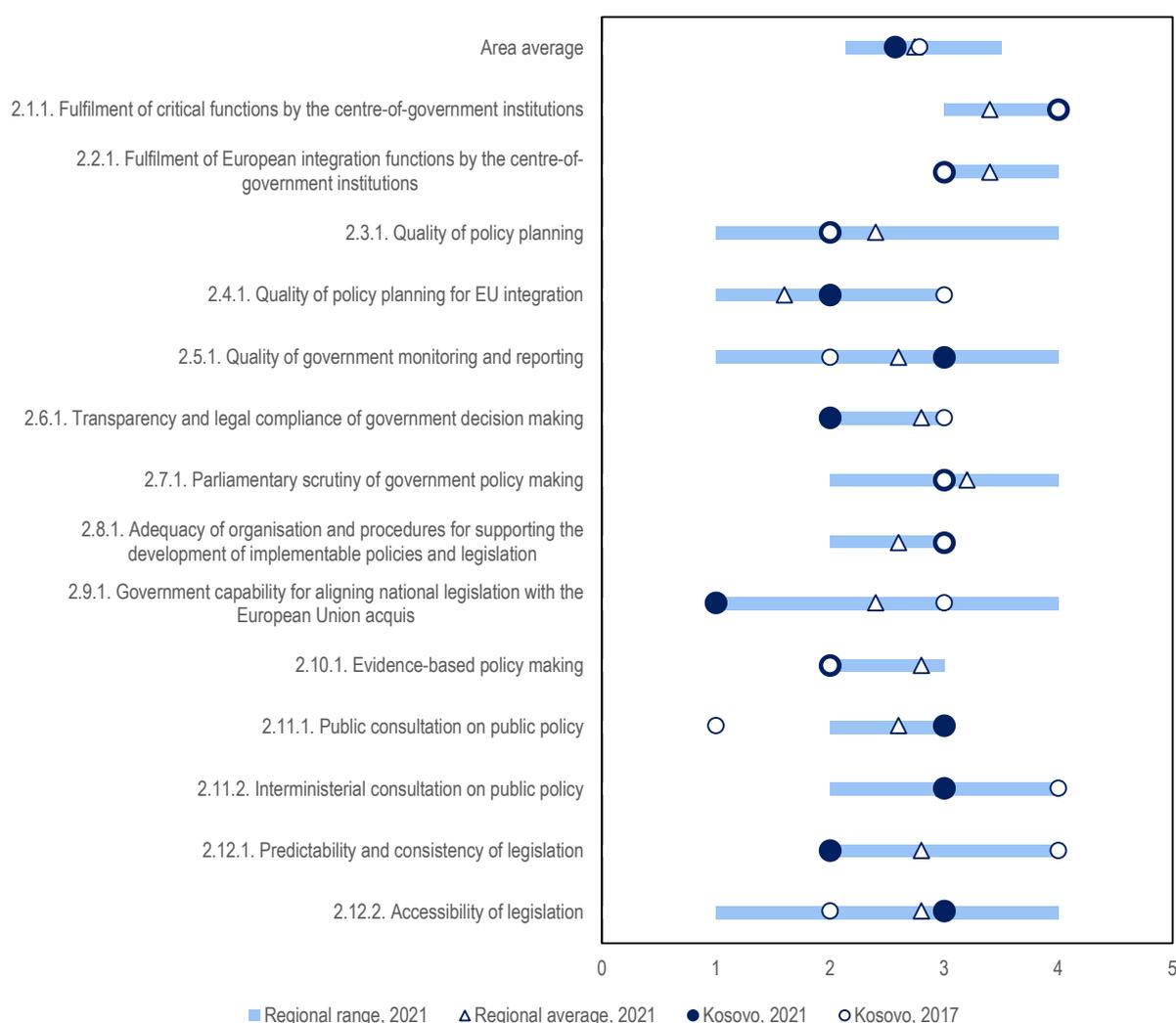
Kosovo

Kosovo

Summary and recommendations

The overall average indicator value for 2021 has decreased compared with the value in 2017 for the policy development and co-ordination area and is below the regional average. The legal and regulatory frameworks and rules of procedure for planning and policy co-ordination are largely in place, but both the implementation and the enforcement of procedures are inadequate. Particular attention is required to improve planning with respect to both domestic and European integration (EI)-related legislation to reduce the number of acts that are carried forward from one year to the next. While parliamentary elections had a negative impact on policy planning in general in 2020, the issues identified by the assessment are to a large extent systemic.

Progress visible in 2017 has not been sustained, and in some cases gains have been reversed

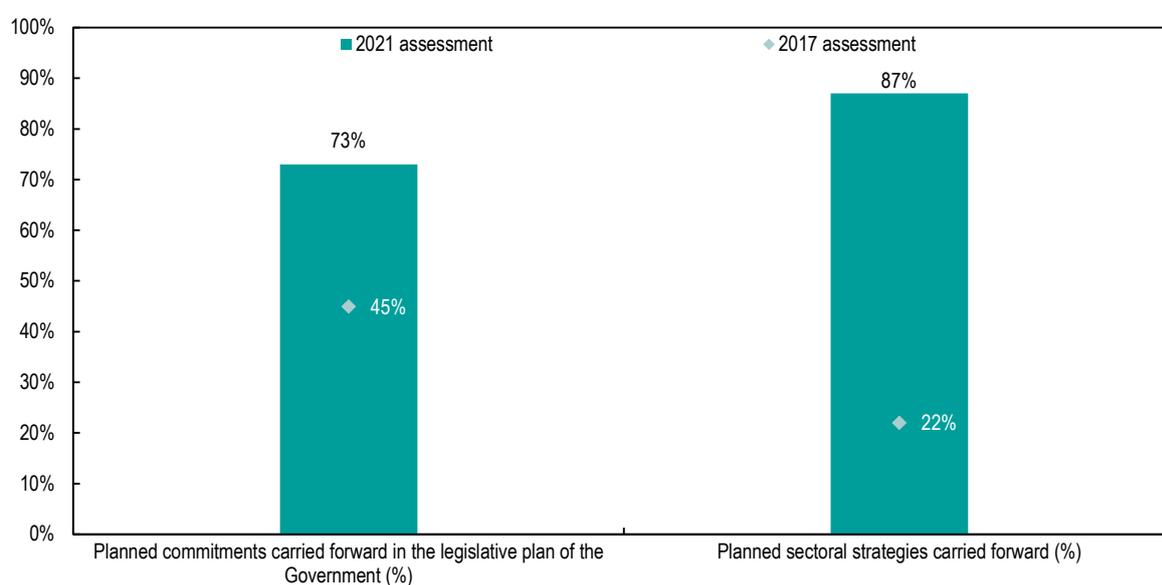


While all key centre-of-government functions for effective policy making are established and supported by detailed regulations and guidelines, **co-ordination arrangements between the centre-of-government (CoG) institutions are not consistently implemented**. The co-ordination around draft laws and strategies submitted by line ministries should be significantly improved to include not only the concept stage but also all subsequent phases of policy development.

Similarly, while its legislative and institutional set-up is formally established, **the EI process needs to be strengthened through more regular co-ordination meetings at both the senior management level and the political level.** In April 2021, the Government adopted a new Decision on the Establishment of Inter-institutional Co-ordination Structures for the EI process. This will need to be fully implemented to make the system more operational in practice and to bring it up to date with institutional reorganisations.

Strategic planning is hampered by a lack of clarity in the hierarchy of key planning documents and the co-ordination of planning processes. As a result, the number of items included in the Government Annual Work Plan (GAWP) exceeds the Government's implementation capacity. The number of draft laws and strategies carried forward to the next year significantly increased compared to 2017, which suggests that government planning is overambitious. With respect to EI, the planning process also seems unrealistic, with the implementation rate of the National Programme for the Implementation of the Stabilisation and Association Agreement (NPISAA) at 21% for 2020. Alignment between sectoral strategies and other key strategy documents appears to be particularly weak, which increases the risk of duplication and waste in the allocation of resources across sectors.

Government policy planning appears unrealistic and hampered by poor co-ordination



Source: Legislative Programme 2020 and 2021, Strategic Documents Plan for 2020-2022 and for 2021-23. Data on 2017 is taken from the SIGMA Monitoring Report 2017.

Government transparency is also not sufficient and the monitoring of the Government's work remains a challenge. Agendas for government sessions are not made public in advance, and decisions are not consistently published online. The Government prepares a document summarising its main achievements but no detailed report, which prevents effective public scrutiny of the Government's work.

Adequate parliamentary scrutiny of government policy making is formally ensured, but in practice the Assembly very rarely discusses the Government's implementation of laws and policies. Parliament's ability to monitor the work of the Government is also limited by the high proportion of Government-sponsored bills that use extraordinary procedures. In 2020, 41% of draft laws submitted by the Government were adopted in extraordinary proceedings, compared to 19% in 2016. A fundamental problem is that there is no regular co-ordination between the Government and Parliament, and the Government does not consistently review bills initiated by Parliament, which may lead to inconsistencies between policies.

The policy-making process is evidence-based, in theory at least, as legislation and rules of procedure (RoP) require that impact assessments be used consistently by all ministries, and guidelines and manuals are provided. However, while they are generally used for draft laws, **impact assessments are not used for secondary legislation or for strategies. This means that an important block of policy development takes place without impact assessment.** Quality control needs to be more rigorously

applied by the Office of the Prime Minister (OPM) to ensure, among other things, that the results of the analytical process are taken into account when draft laws are being developed.

Regulations and procedures for conducting public consultations are in place, and the regularity in publishing draft laws for written public consultation has improved. However, rules are not followed consistently in practice. The consultations are also still organised very late in the process without key stakeholders being aware that a consultation process is planned.

The publication of legislation has improved since 2017, as all primary and secondary legislation is now available online (though not yet in consolidated format, the consolidation process started only recently and is ongoing). Nevertheless, data from the Balkan Barometer suggests that businesses do not see an improvement. **The perception that legislation affecting businesses is available to them has dropped by almost half since 2017, as shown in the chart below, and is now extremely low, as is the confidence of businesses in the stability of government policy making.**

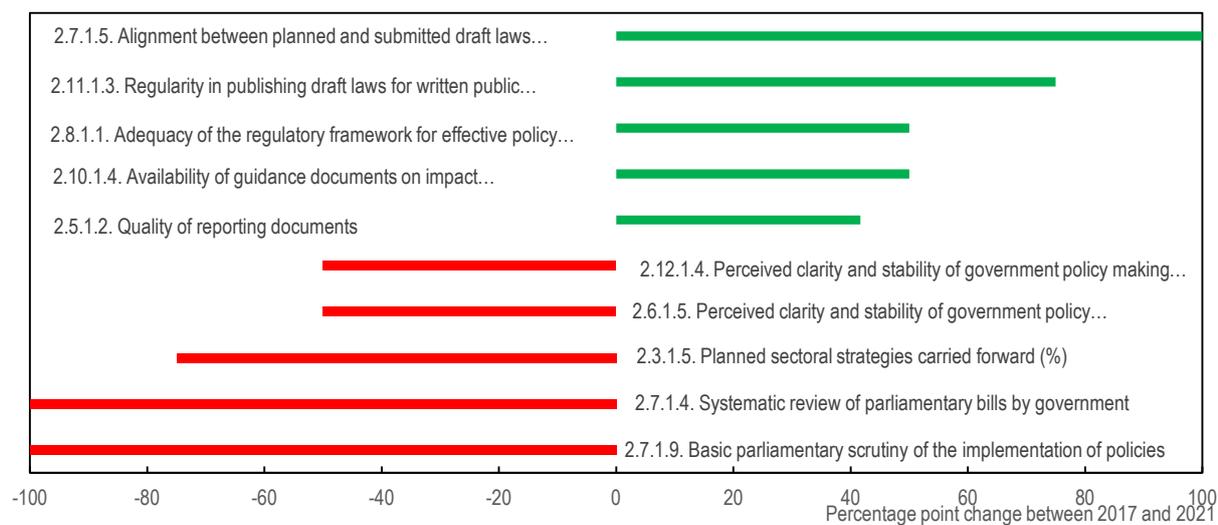
Short-term recommendations (1-2 years)

- 1) The Government should address the issue of overambitious plans in order to reduce carry over. Central coordination of legislative planning should be strengthened, including the preparation of EI activities, and political coordination forums used actively.
- 2) The Government should take steps to establish an integrated planning system, starting with a revision of the strategic planning framework.
- 3) The agendas of government sessions should be published online in advance and all decisions made by the Government should be available online.
- 4) The Government should amend the existing legislation to require that reports on the implementation of all key planning documents are published online, and ensure this requirement is actually implemented.
- 5) The Government should take steps to strengthen regulatory impact assessment (RIA) and enforce the central quality control more consistently. The OPM should ensure the review of draft laws, together with the accompanying concept documents, to ensure that the analysis effectively supports the legislative proposals. The OPM should also implement the existing requirements for analysis with respect to secondary legislation.
- 6) The Government should strengthen central oversight to ensure consistent implementation of the existing rules on public consultation. The OPM should ensure adequate discussion on substantial issues among all line ministries and agencies affected by a particular proposal.
- 7) The Government should explore why business confidence in its legislative process has fallen so dramatically. The Government should take steps to ensure that the transitional period before new laws take full effect is sufficient for the adoption of the necessary supporting bylaws, to promote full and consistent implementation and increase legal clarity.

Medium-term recommendations (3-5 years)

- 8) The role of the Assembly in monitoring progress made by the Government should be strengthened. The Assembly should start scrutinising the implementation of government policies by requesting that the Government prepare reports on the implementation of key reforms.
- 9) A more structured system of co-ordination between the Assembly and the Government should be developed, including more systematic government review of draft bills brought by the Assembly and mechanisms to reduce the use of extraordinary procedures.

The five highest percentage point increases and decreases for all sub-indicators in the area compared to 2017. Progress in the regulatory framework and basic processes, however, public perceptions have worsened, the backlog of sector strategies increased and parliamentary scrutiny has been reduced



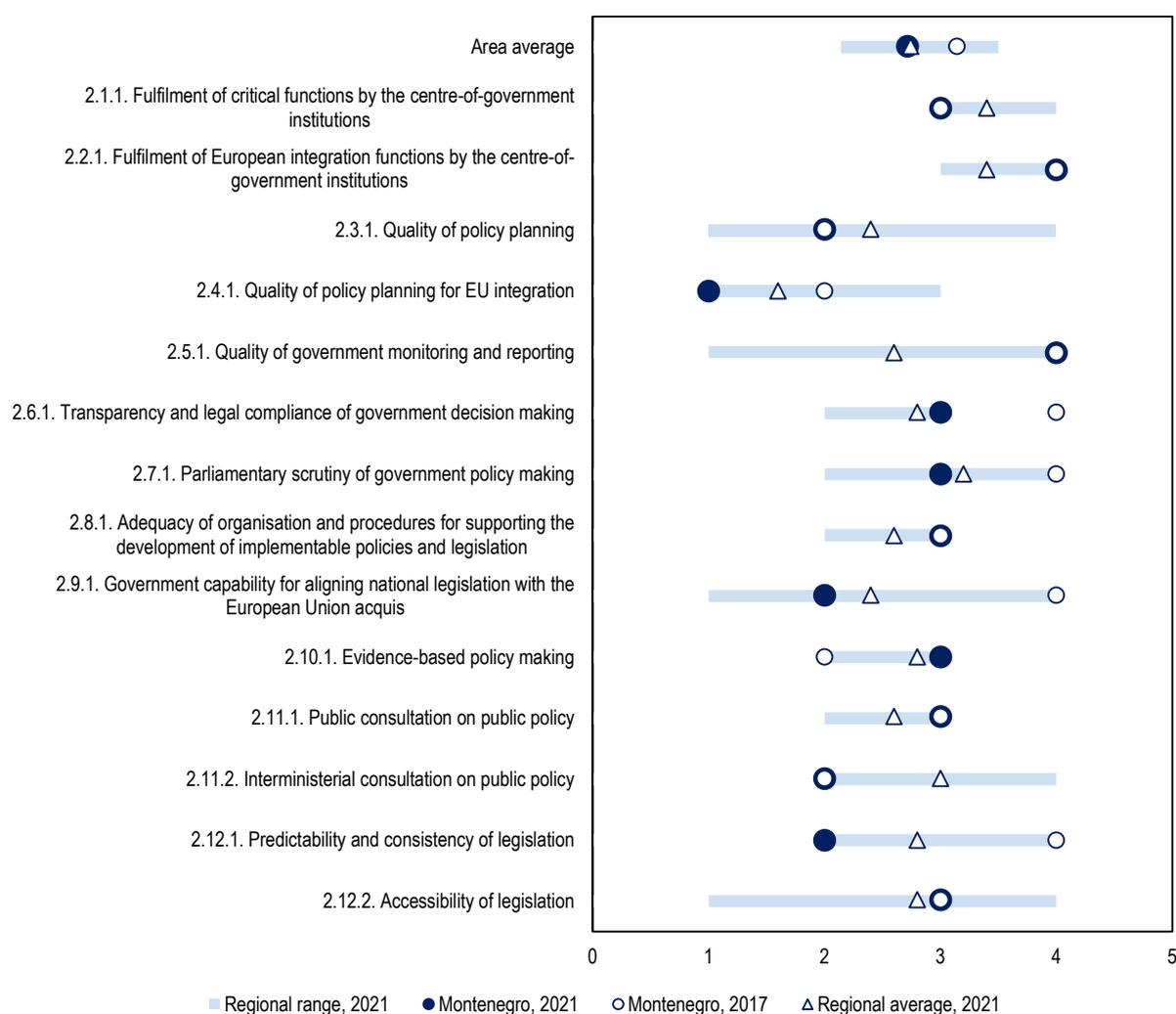
Montenegro

Montenegro

Summary and recommendations

Montenegro has an area average of 2.7 for policy development and co-ordination. This is the same as the regional average. Compared to 2017, the area average has fallen from 3.1. Only the value for the indicator on evidence-based policy making improved over the period, while the values decreased for six indicators (and remained the same for seven). The challenges with the implementation of central planning documents in 2020 contributed most to the reduction in indicator values, especially in the area of planning for European integration.

On average, performance has deteriorated in the policy development and co-ordination area since 2017. The only improvements are in evidence-based policy making



The critical functions for ensuring well-organised policy making are assigned to the centre of government (CoG) bodies. Challenges remain with the co-ordination of activities between CoG bodies, an example being the preparation process for the Government Annual Work Plan (GAWP). The General Secretariat of the Government (GSG) and the European Integration Office (EIO) co-operate during its preparation to ensure alignment between domestic and EI-related plans, but the Ministry of Finance and Social Welfare (MoFSW) is not participating in this co-ordination.

The institutional responsibility for overall co-ordination of EI activities was transferred to the EIO in 2018 after the dissolution of the former Ministry of European Affairs (MEA). The EIO co-ordinates all key EI-related functions from the negotiation process, the planning and monitoring to the review of legislation on harmonisation with the EU *acquis*. However, **the co-ordination forums for EI at both the administrative and political levels, established to ensure the smooth running of the accession process, continue to convene only rarely despite significant challenges with the implementation of the planned EI commitments.**

The main positive development in the area of policy planning is the establishment of the regulatory and methodological framework supporting strategic planning 2018. The GSG is responsible for reviewing the compliance of draft strategies with the new requirements and performs well, as most of the sample draft strategies that SIGMA has reviewed met the basic content-related requirements. Challenges remain with complying with the requirements for costing of strategies and with ensuring the alignment of the cost estimates with the Fiscal Policy Guidelines (FPG) as the medium-term budget plan. This is indicative of the **wider disconnect between policy and fiscal plans**: the priorities of the FPG are not aligned to the ones from the Exposé of the Prime Minister or the GAWP. In addition, 72% of the draft laws and 52% of the draft strategies planned for adoption in 2020 were carried forward to the 2021 plan. This suggests significant room for improvement in the preparation of high-quality and realistic work plans for the Government and in ensuring their implementation during a challenging period.

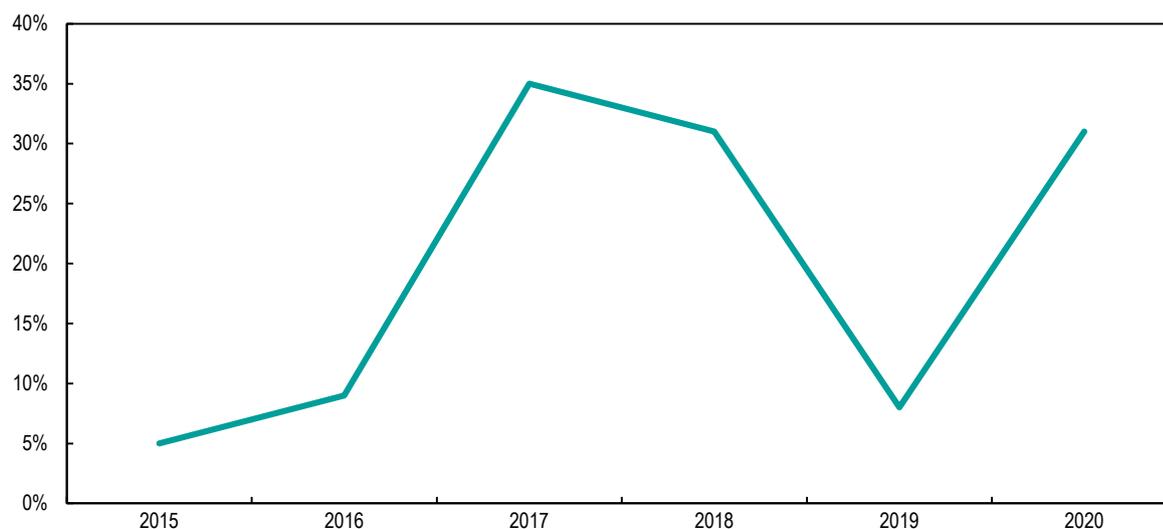
Montenegro's Programme of Access to the EU (MPAEU) as the plan for all EI-related commitments, suffers from the same challenges as the GAWP. Only 18% of the planned legislative commitments were approved in 2020, and 62% were carried forward to the plan for 2021. The MPAEU is well aligned to the GAWP, but it does not include any cost estimates or sources of funding for ensuring that a sufficient budget is available for implementing EI-related activities.

Reports on the implementation of central planning documents are publicly available but do not contain any outcome-level data on the achievement of objectives. They only contain information on the implementation of individual activities.

The requirements for ensuring a high-quality government decision-making procedure are largely in place. In practice, the procedural requirements are complied with, but **there is no review of the coherence of draft proposals with Government priorities at the administrative level for most drafts.** The GSG is reviewing only sector strategies, but the coherence of the content of draft legislation with previously announced policies is not conducted by any CoG body. In addition, the effectiveness of the decision-making process, as well as the transparency, has been hampered by the high share of items submitted to the agenda after the formal deadline.

The legal framework for enabling parliamentary scrutiny of Government policy making is in place, but challenges remain with its purposeful implementation. **Thirty-one percent of Government-sponsored draft laws were adopted in extraordinary proceedings in 2020, limiting the possibilities for parliamentary debate.** Moreover, 69% of draft laws proposed by the Government to the Parliament did not originate from the GAWP. This increases the need for regular co-ordination arrangements between the administrations of the Parliament and the Government to ensure the effective processing of the drafts, yet these arrangements are missing. Furthermore, the Government is not consistent in providing its opinions on the draft bills that members of the Parliament initiate.

The Parliament adopted nearly one-third of the Government-sponsored draft laws in extraordinary procedures in 2020



Source: Annual reports of the Parliament.

Twelve line ministries are in charge of policy development according to their areas of responsibility. However, there are no regulations or consistent practices in place that would enable them to fully utilise their internal capacities for the benefit of good policy making. For example, the ministerial budget departments are not involved in the drafting of policies. Furthermore, the **capacities and experience of officials drafting policy documents for EU affairs are not applied in the domestic policy development process.**

Procedures to ensure effective transposition of the *acquis* are in place and followed in practice. The drafts dealing with *acquis* alignment undergo similar requirements for prior consultation and analysis as domestic policy proposals. However, challenges remain with the translation of the *acquis* by the time of planned transposition. In addition, **in 2020 the Government approved only 35% of planned draft laws and regulations dealing with *acquis* alignment.**

Regulatory Impact Assessment (RIA), covering all key impact areas, is mandatory for all draft laws and regulations. The MoFSW is co-ordinating the process and ensuring the quality control on analysis, but it is focusing only on impacts to businesses and budget impacts. **There is no control over the quality of analysis covering wider economic, social or environmental impacts.** Based on the review of sample policy proposals, the quality of analysis has improved compared with 2017, but alternative regulatory and non-regulatory options for achieving the policy goals are still not covered in the analysis.

The legal drafting process is supported by the relevant manuals, as well as a functional quality control performed by the Secretariat for Legislation (SL). Nevertheless, a high share of laws is amended within a year after adoption (17%⁴). In addition, **the mandatory bylaws for implementing the laws are not adopted by the time laws take effect, contributing to a lack of legal certainty.**

Access to legislation is hampered by the absence of consolidated versions of legal acts free of charge. The perception of availability of laws and regulations among businesses has further deteriorated compared with 2017.

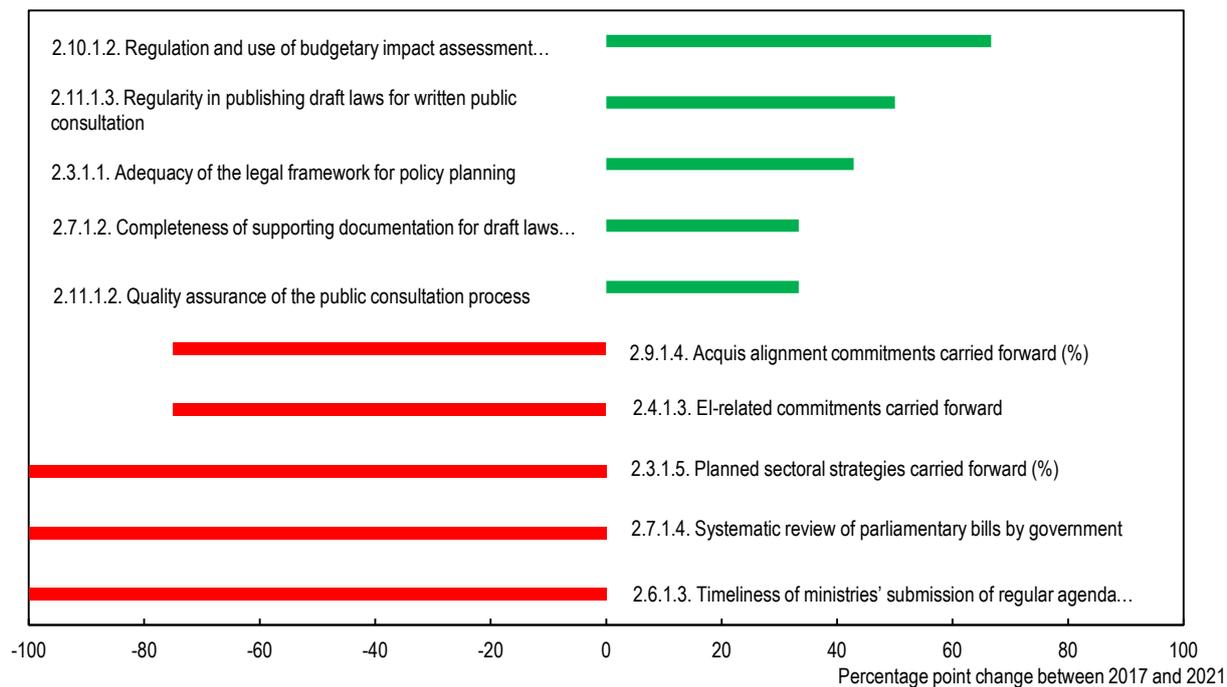
Short-term recommendations (1-2 years)

- 1) The Government, under the leadership of the MoFSW and the GSG, should ensure alignment between the objectives of policy and fiscal plans.
- 2) The Government should ensure that the EI co-ordination bodies at the political and administrative levels become fully functional with meetings taking place regularly. Both forums should be actively involved in the planning of EI and in monitoring progress of key reforms crucial for the EU accession process.
- 3) The GSG should gradually include information on the outcomes of Government policies into the annual reports on the implementation of the GAWP by using the indicators and targets established in the GAWP.
- 4) The Government should strengthen the GSG's role by mandating it to return draft legal acts and strategies to the ministries with requests for consideration of adjustments, if the substance requires further improvement or is inconsistent with the Government's priorities.
- 5) The Government should follow its legislative plans when submitting drafts to the Parliament. It should request the processing of drafts in urgent procedures only in case of unforeseen circumstances and should not use this possibility for the regular adoption of the state budget.
- 6) The EIO should ensure that the EU legislation that is planned for transposition is available in the local language before the drafts dealing with the harmonisation of legislation are drafted.
- 7) The Government, under leadership of the MoFSW, should establish quality control over the RIA covering all key impact areas, including economic, environmental and social impacts.
- 8) The MPADSM should establish the internal procedures for ensuring that all draft proposals from all ministries are reviewed prior to their submission to the Government to ensure their compliance with the requirements for public consultation.
- 9) The Government, under the leadership of the SL, should ensure that all draft laws foresee an adequate transitional period after the adoption of the law and before the law takes full effect, to allow for the timely adoption of all by-laws necessary for the implementation of the law.
- 10) The Government should ensure that all primary and secondary legislation is available online in consolidated format, free of charge.

Medium-term recommendations (3-5 years)

- 11) The Parliament should increase oversight of the implementation of laws, by establishing a system of reporting on major legislation.
- 12) The line ministries should further engage the officials currently involved exclusively in the EU-related affairs into the domestic policy development in order to use their experience most effectively.

The five highest percentage point increases and decreases for all sub-indicators in the area compared to 2017. Improvements in evidence-based policy making and public consultation, while the co-ordination between the Parliament and the Government regressed and high share of planned commitments were carried forward by the Government



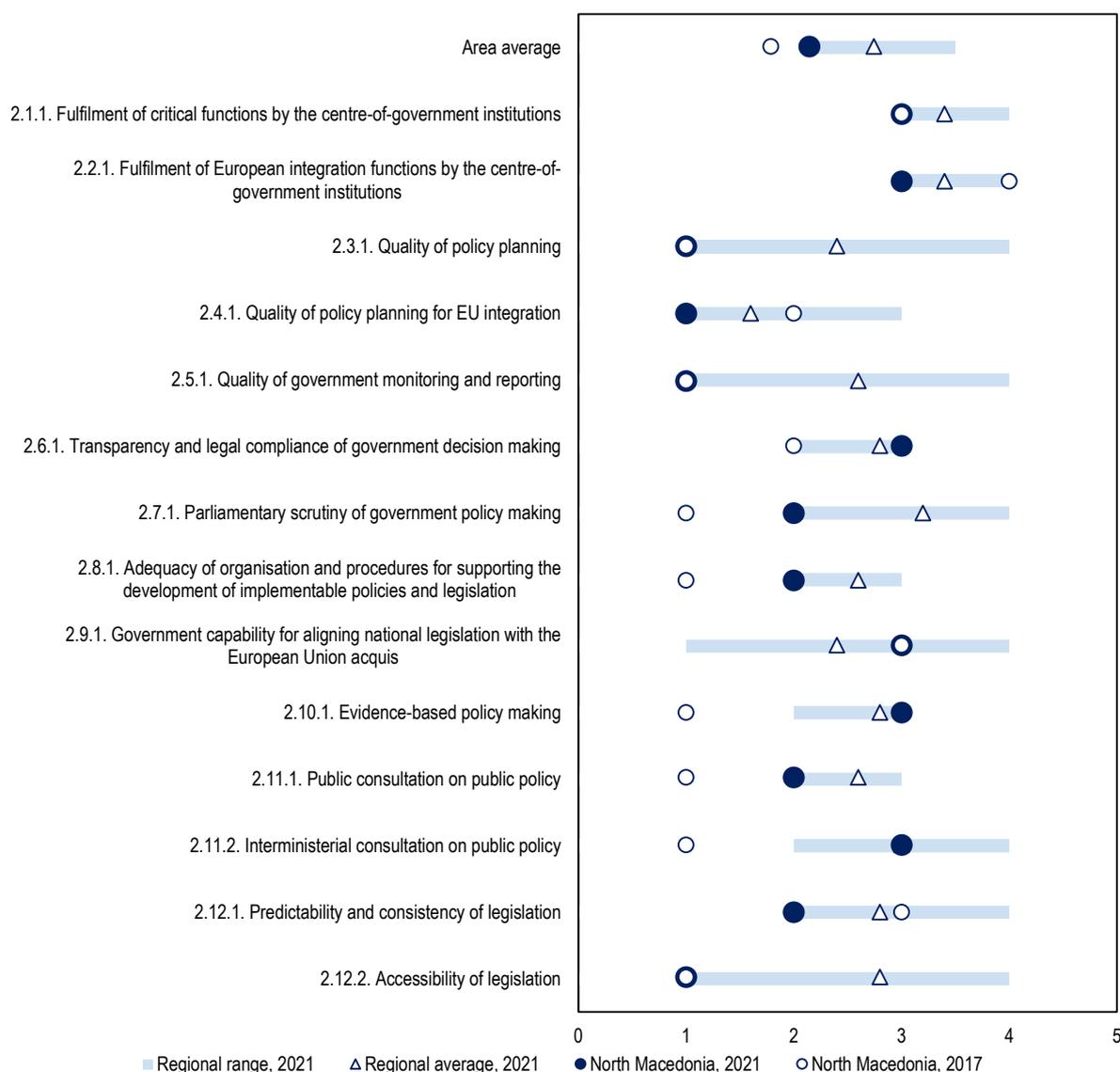
Republic of North Macedonia

Republic of North Macedonia

Summary and recommendations

Overall, compared to 2017, North Macedonia has made some progress in the policy development and coordination area. The average value of the policy development and co-ordination indicators rose during the assessment period, from 1.8 in 2017 to 2.1 in 2021. However, it is still lower than the regional average of all Western Balkans countries (2.7). The improvement in the indicator value compared to 2017 is primarily due to a more consistent application of the critical tools for evidence-based and participatory policy making and to some improvement in the transparency of government decision making. However, major weaknesses and gaps still exist in both the regulatory and the methodological frameworks for government policy development and policy planning and monitoring, including European Union (EU) integration planning, as well as in the implementation and enforcement of key procedures and functions required for the effective functioning of the centre of government (CoG).

While some improvement is observed compared to 2017, North Macedonia results are below the regional average of Western Balkan administrations



Most CoG functions are formally established, but weaknesses and gaps exist in regulations and guidance, as well as in implementation and policy co-ordination by the CoG institutions.

Co-ordination and co-operation among CoG institutions during the preparation of key planning documents, such as the Government Annual Work Programme (GAWP), are not fully ensured. Final checks on policy proposals and supporting materials by the CoG, including checks on the quality of policy coherence, are not systematically carried out. In 2020, several new structures were created within the Office of the Prime Minister (OPM) to reinforce the implementation of the strategic planning, monitoring and policy co-ordination functions. However, these changes risk creating overlaps and confusion among other key CoG institutions, such as the General Secretariat (GS), regarding the ultimate ownership and responsibility for performing those essential functions.

The institutional and regulatory framework for European integration (EI) co-ordination was revised and upgraded in 2019 to be better prepared for the EU accession negotiations phase.

However, the new co-ordination mechanisms are not yet fully functional. The Secretariat for European Affairs (SEA) is the key CoG institution tasked to lead and co-ordinate the EI activities. The SEA has a strong organisational structure and leadership under the Deputy Prime Minister of the Government in charge of European Affairs, but EI planning and monitoring have gaps and weaknesses in both the regulatory and the methodological frameworks, as well as in the actual implementation. The new national plan for the EU *acquis* alignment (National Programme for Adoption of the Acquis [NPAA]) for 2021-2025 was approved by the Government in June 2021, about 18 months after the expiry of the previous plan, creating a gap in government planning for EI. Implementation of procedures and tools for effective EU law transposition, such as tables of concordance (ToCs) and interministerial consultations, are well institutionalised, organised and implemented in practice. However, the organisation of translations of the *acquis* is not planned and ensured adequately and in a timely manner.

A medium-term government planning system is established, but it has gaps, particularly in the area of sector strategy development and monitoring, and the quality of the planning documents is still weak.

Despite the recent efforts of the GS, the preparatory process of the new regulatory basis for sector strategy development is slow, and the whole area remains unregulated. Alignment and coherence between government plans is not ensured, and a high number of GAWP measures are carried forward from one year to another (58% from 2020 to 2021). Central oversight, monitoring and quality control on sector strategy development is not institutionalised. Sectoral strategies of ministries are prepared using differing methodological approaches and standards and often lack action plans to help plan and monitor implementation to achieve the ultimate policy goals. There is no practice of preparing and publishing regular monitoring reports on the implementation of key government planning documents, with the exception of the report on the state budget.

Some progress is observed in the area of the transparency and legal compliance of government decision making, largely because the agenda and minutes of the government sessions are now publicly available through a central website.

This may have contributed to the improvement in businesses' perception of the clarity and stability of government policy making, as measured by the Balkan Barometer survey.

North Macedonia has one of the highest rates of processing and adopting laws in shortened or urgent proceedings, which remains a major concern (60% in 2020).

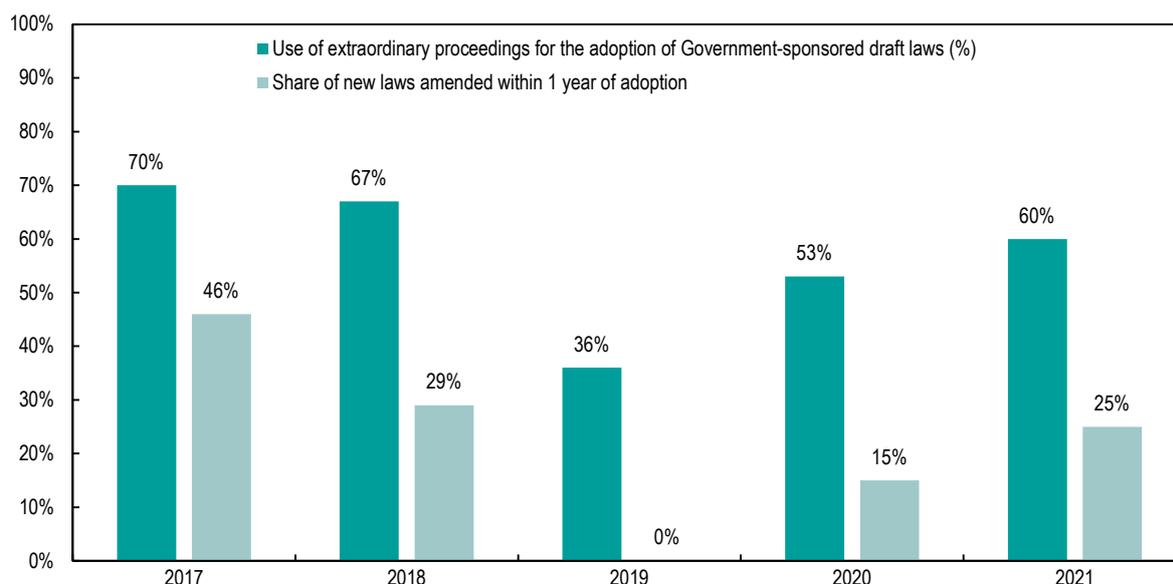
Overall, the level of implementation of the government legislative plan is low; only 15% of all approved government-sponsored laws in 2020 were originally planned in the GAWP, which shows the shortcomings in government legislative planning. Formal rules and procedures for the Parliament's scrutiny of policy making and co-ordination of legislative activities are established, but the Parliament does not initiate evaluation of major policies and laws.

Some improvements are observed in the area of evidence-based and consultative policy making compared to 2017, largely due to a more consistent application of the Regulatory Impact Assessment (RIA) and public consultation rules.

However, the quality of RIA reports and their impact on final policy design and decision making by the Government remain very limited. The process of RIA is initiated late. The capacity and mandate of the Ministry of Information Society and Administration (MISA), as the oversight body, in scrutinising the content of RIA reports and overseeing the overall management

of the system is not adequate to the demands and workload. There is a comprehensive online register of regulations (Single National Electronic Register of Regulations [SNERR]), which is utilised effectively to provide key guidance documents and facilitate public consultation. Other tools and methods for engagement with stakeholders during policy development are not systematically used. The function of oversight over the public consultation process is not institutionalised, and no reporting on public consultation exists. Interministerial consultations are carried out more consistently compared to 2017.

The share of laws adopted through shortened or urgent proceedings and the share of laws amended within a year of adoption are worryingly high for North Macedonia, suggesting serious problems in legislative planning and the quality and stability of laws



Source: SIGMA analysis, based on publicly available data on the legislative activities of the preceding year, and the SIGMA assessment methodology. Information from an unofficial report of the Parliament was used to estimate the share of laws approved through extraordinary proceedings in 2020 because the full annual report was not available.

No major changes are recorded in the area of the predictability, consistency and accessibility of legislation since 2017. The share of new legislation amended one year after adoption decreased from 46% in 2017 to 25% in 2021. The mandatory bylaws are not prepared and approved in time to ensure a complete and clear regulatory framework for policy implementation. The accessibility of primary and secondary legislation to the public remains limited, as online access to the full database of laws is not free. Legislation and regulations are accessible through several alternative sources, ensuring easy access by businesses and citizens to major laws. This may have contributed to a slight improvement in businesses' perception of the accessibility of legislation, as the share of positive responses to the survey increased from 60% in 2017 to 65.5% in 2021. Consolidated official versions of legislation are still not available.

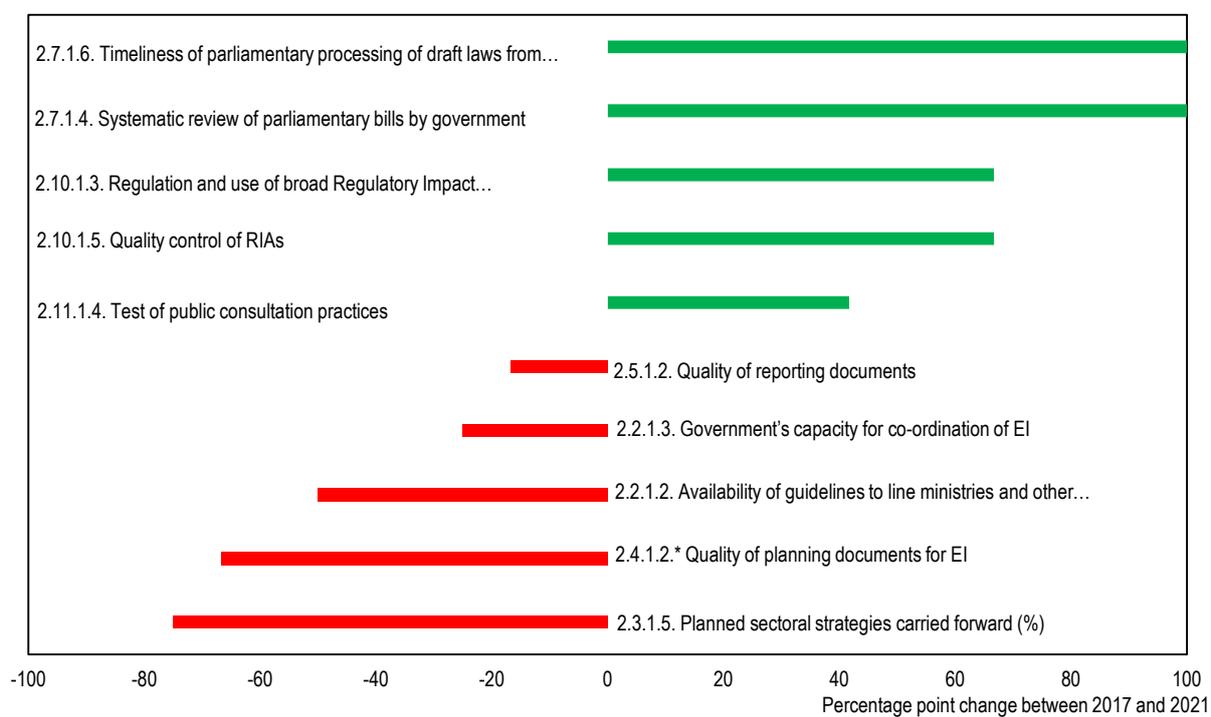
Short-term recommendations (1-2 years)

- 1) The GS should ensure consistent and full implementation of all assigned CoG functions, including final checks on the content of proposals, to ensure policy coherence and checks on compliance with the RIA and public consultation requirements. The role of the OPM secretariats in policy planning, monitoring and co-ordination needs to be clarified to avoid confusion and unnecessary duplication with core functions performed by other CoG institutions, such as the GS.
- 2) The Government, in consultation with the Parliament, should review the existing regulations, criteria and practice for approving laws through urgent proceedings with the objective of reducing the number of laws processed through non-standard procedures to a minimum.
- 3) The GS, in collaboration with the Ministry of Finance (MoF) and other key institutions, should develop and approve a new regulatory and methodological framework for sector strategy development and monitoring, including costing of strategies. It should result in the adequate funding of strategies through better costing and financial planning in the state budget.
- 4) The Government should strengthen the regulations for regular monitoring and reporting on government performance, including reporting on the GAWP and the NPAA, and ensure their consistent and full implementation.
- 5) The GS should make sure that the draft agendas of the government sessions are published before the meetings.
- 6) The SEA should strengthen the regulatory and methodological framework enabling NPAA development, monitoring and reporting. The SEA should prepare annual updates to the multi-year NPAA to ensure that the EI plan is relevant, up to date and aligned with other planning documents, such as the GAWP.
- 7) The SEA and the MoF should ensure the adequate planning, funding and preparation of translations of the *acquis* to help achieve evidence-based transposition of EU law.
- 8) The Government should strengthen the mandate and capacity of the MISA, as the RIA oversight body, to ensure more effective and consistent quality control of RIAs, including checks on the content and analysis, and ensure regular trainings for ministries to improve the quality of RIAs and the initiation of RIA early in the process.
- 9) The Government should strengthen central oversight and reporting on public consultation by assigning the function to a CoG institution. More consistent checks should be carried out.
- 10) The Government should ensure that all secondary legislation and guidelines required for the effective implementation of primary laws are developed and adopted before the relevant provisions are set to come into effect.

Medium-term recommendations (3-5 years)

- 11) The SEA, in collaboration with other key government institutions, should assess the effectiveness of the EI co-ordination mechanisms and the planning system to make sure that they are adequate to the needs and requirement of the next stage of EI and accession negotiations when they commence.
- 12) The Government, in consultation with the Parliament, should develop and implement a programme for preparing official consolidated versions of all primary and secondary legislation. All legislation should be made available free of charge to the public through the Official Gazette website.

The five highest percentage point increases and decreases for all sub-indicators in the area compared to 2017. Some of the biggest changes in sub-indicator values since 2017 demonstrate the improvements in evidence-based policy making, but also highlight the gaps and weaknesses in government planning



Note: The * marks where points have been deducted because data was not available or of poor quality.

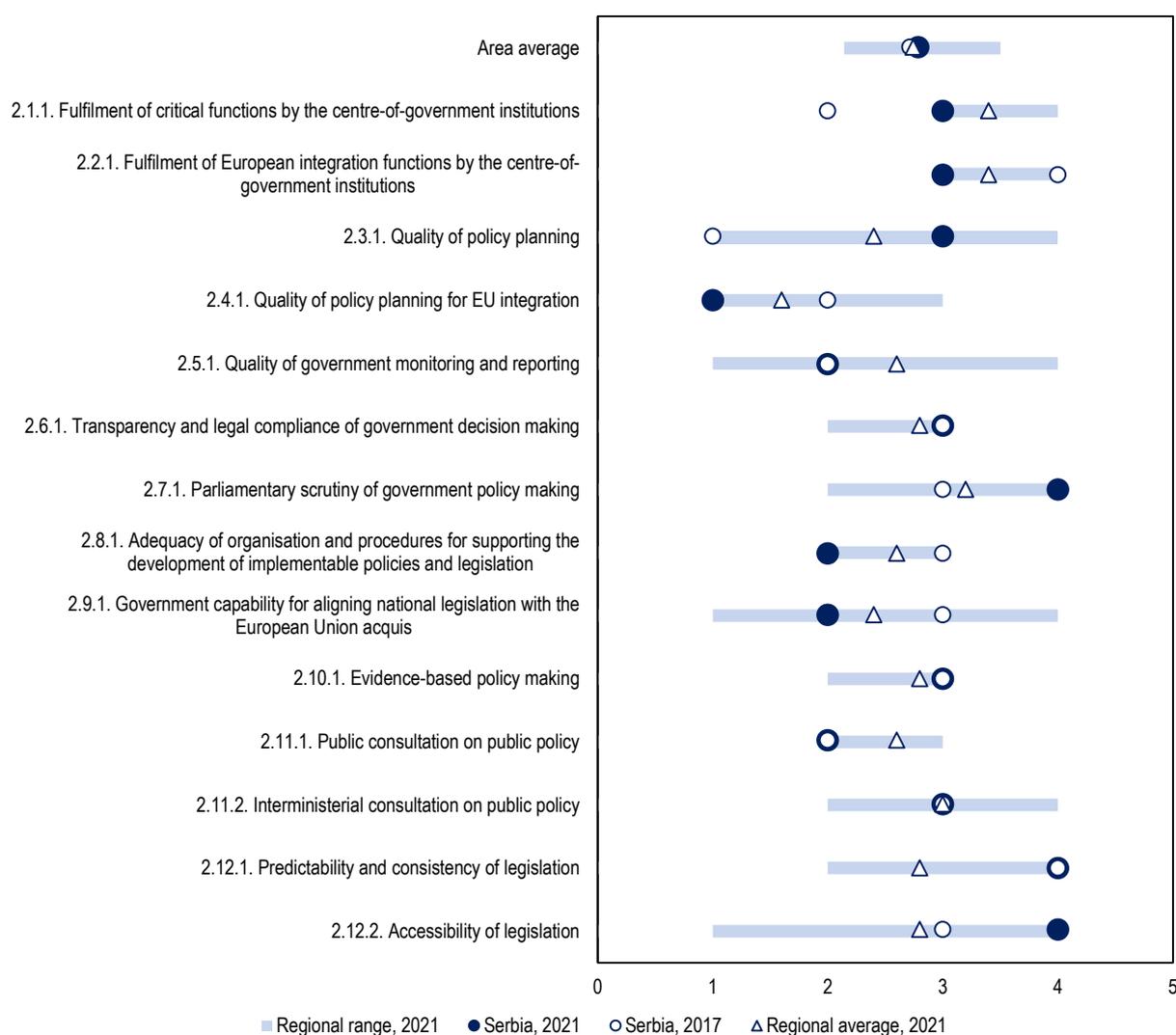
Serbia

Serbia

Summary and recommendations

Serbia is at the level of regional average in the area of policy development and co-ordination. The average value for this indicator has not changed significantly compared to 2017, increasing slightly from 2.7 to 2.8 in 2021. Improvements were observed in the functioning of centre-of-government (CoG) institutions, the legal framework for policy planning, parliamentary scrutiny over government policy making, and accessibility of legislation. However, these positive developments were levelled by the worsening of all three indicators related to European integration (EI) and some setbacks in the organisation and procedures for implementable policies and legislation.

Main improvements are related to the completion of the legal framework and guidance on policy planning and the accessibility of legislation



Key CoG functions are formally established by relevant legislation and assigned to responsible bodies. The biggest progress has been made with regard to the legal and methodological framework for developing strategic and policy documents based on the new Law on the Planning System (LPS), adopted in 2018. However, there is **still insufficient internal co-ordination among CoG units** in preparing the Government Annual Work Programme (GAWP), nor in consolidating responses to line ministry policy proposals submitted for decision of the Government. Fragmentation remains an issue in CoG in Serbia.

Improvements in the legal framework for policy planning, compared to the 2017 assessment

Criteria assessed	2017	2021
The status of the key government planning documents is established within the legislative framework	Yes	Yes
The hierarchy of the key government planning documents is established within the legal framework	No	Yes
The government-level policy-planning function is delegated to a CoG body	Yes	Yes
Legislation stipulates the steps of the planning process (including the approval procedure)	No	Yes
The system for planning the development of sector strategies is formally established	No	Yes
CoG institutions are authorised to provide overall quality control for the development of sector strategies	Yes	Yes
The legislation requires that sector strategies include information about the cost and funding sources for all measures included in the strategies	No	Yes

New shortcomings were identified in the area of co-ordination and planning of EI activities. In 2020, neither political nor administrative level co-ordination bodies were functional. However, a new structure for the co-ordination of EI affairs was established in April 2021 taking into account the revised EU enlargement methodology, and the political-level meetings take place on a regular basis.

The main weaknesses are related to the outdated National Programme for the Adoption of the *Acquis Communautaire* (NPAA) and the lack of regular reporting on the implementation of the NPAA in 2020 and 2021, which makes operational management of the EU accession process difficult. Challenges persist with regard to the low implementation rate of the NPAA and the absence of costing and funding sources for the activities included in the NPAA. The alignment of the national legislation with the EU *acquis* has decreased compared to 2017. This is due to missing reporting on NPAA implementation, lack of information on the timely translation of the *acquis* to ensure effective transposition.

Governmental decision making is not sufficiently transparent, which reflects both in weak reporting of key central planning documents as well as in lack of openness of decision making. Despite a relatively solid legal, institutional, and procedural framework for monitoring the Government's performance, regular reporting on implementing key central government planning documents is lacking. For example, reports on the implementation of the GAWP for 2020 was not prepared or published, and annual reports on the implementation of sector strategies are largely absent. Although the legal framework for preparing government decisions professionally is in place, the level of transparency and openness of government decision making is still largely inadequate. The compliance of proposals submitted to government sessions with rules and procedures is consistent. However, the role of the General Secretariat of the Government (GSG) remains very technical, without a mandate to return proposals with comments and suggestions for further consideration and alignment with the standards. The agendas of government sessions are not public, and not all Government decisions are made public.

Parliamentary scrutiny over Government policy making has slightly improved thanks to less use of extraordinary procedures and better scrutiny of policy implementation. The overall legal framework for parliamentary scrutiny of the Government's affairs is adequate, and the Parliament processes all laws within a reasonable timeframe. However, co-ordination and planning of legislative activities between the Parliament and the Government is a challenge. For example, 63% of Government-sponsored laws submitted to the Parliament were not listed in the GAWP.

Evidence-based policy making, through the Regulatory Impact Assessment (RIA) system, is established and managed, but the quality of analysis does not yet lead to the desired results. Requirements for developing RIAs are comprehensive, with implementation supported by easily accessible and detailed guidelines. However, the quality of the analysis of impacts is generally inadequate. The Public Policy Secretariat (PPS) does not, however, have a mandate to return low-quality RIAs for compulsory revision for alignment with the quality standards. The number of staff trained on RIA is low. Financial Impact Assessment is required, but not always done in practice.

Public consultation on key policies remains weak. Despite an improved regulatory framework, through the adoption of the new LPS, public engagement is still not sufficient. Public consultations are often not announced in advance, and when reports on public consultation results are prepared, they do not provide information on opinions and reasons for rejecting public comments. The situation with interministerial consultation remains the same compared to 2017. The rules and procedures are in place, and these are being followed. However, no official high-level administrative mechanism exists for resolving conflicts between ministries.

The predictability and consistency of legislation remain high. Requirements for drafting laws are established, and quality control for legal texts is well-embedded within the policy development process. However, most by-laws are not adopted by the time a law takes effect, which reduces the clarity of the legal framework and legal certainty. All legislation is available electronically, but consolidated versions of laws are typically unofficial texts.

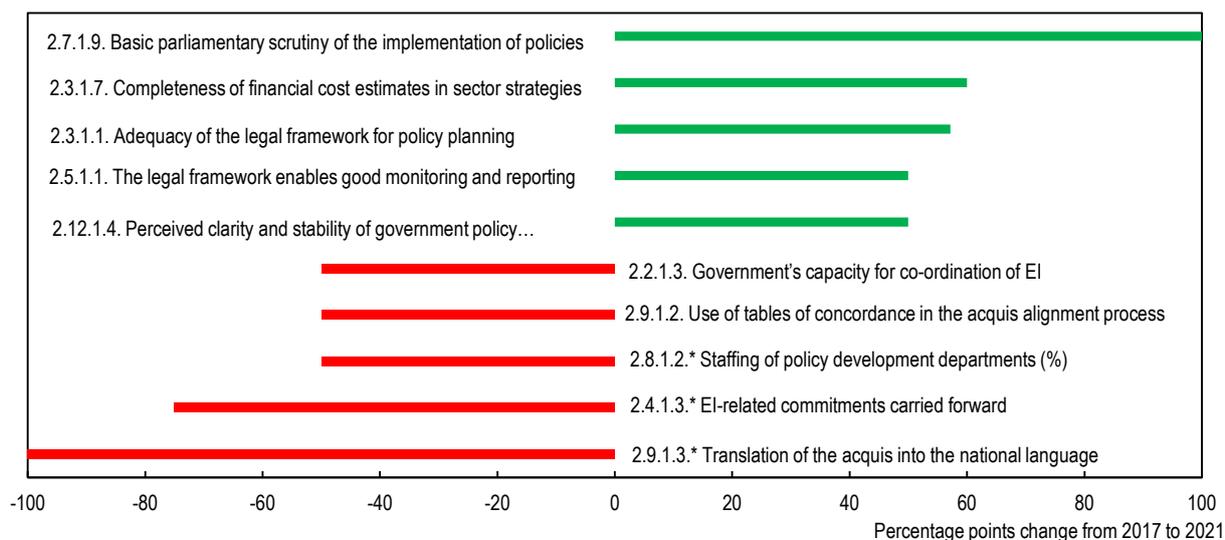
Short-term recommendations (1-2 years)

- 1) The Ministry of European Integration (MEI) should significantly improve EI planning and implementation quality by renewing the NPAA, preparing annual NPAA implementation reports, and deploying a renewed coordination system, also at the administrative level.
- 2) The MEI should prepare regular updates to the multi-year NPAA plan to ensure the EI plan is up-to-date and aligned with other government planning documents, such as the GAWP.
- 3) The GSG should prepare and publish the GAWP annual implementation reports on a timely basis.
- 4) The GSG should make Government session agendas public before the sessions and publish all official Government decisions shortly after the respective Government session, unless the content is classified as confidential.
- 5) The GSG should set up a senior administrative level co-ordination and conflict resolution mechanism across ministries prior to the Government sessions to help improve the quality and efficiency of Government decision making.
- 6) The Government, in co-operation with the PPS and the GSG, should ensure that stakeholders are meaningfully consulted during policy preparation and enforce the requirements set for public consultations in practice, particularly regarding providing feedback on the acceptance of comments.
- 7) The Government, with the support of the GSG, should establish a co-ordination system in the centre of government with an aim to have substantively coherent, realistic and financially affordable policy documents to steer government policy making.
- 8) The Government in collaboration with the Parliament should ensure that coordination is functioning in practice and that the Parliament is informed on a timely basis about the actual legislative activities of the Government.
- 9) The Government should ensure that all secondary legislation is adopted by the time the respective law enters into force, at the latest.

Medium-term recommendations (3-5 years)

- 10) Line ministries should provide cost estimates for all EU transpositions, and the MEI and the Ministry of Finance (MoF) should assure the quality of these costings and ensure sufficient funding.
- 11) The Government, in co-operation with the PPS, should fully implement the requirements for evidence-based policy making by enhancing the capacities of civil servants who prepare RIAs in line ministries and by monitoring that PPS's comments on the impact assessment reports have been taken into account.

The five highest percentage point increases and decreases for all sub-indicators in the area compared to 2017. Parliamentary scrutiny, costing of sector strategies, policy planning regulations and public perception improved, whereas EI-related procedures and practices deteriorated.



Note: The * marks where points have been deducted because data was not available or of poor quality

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