



2020 / NEWSLETTER #2

# EU FOR PAR UNDER THE SECTOR REFORM CONTRACT

Despite the worldwide pandemic, during the last six months of implementation, the project has achieved significant progress in three of its four components: support to policy making and management process, support for further development of the PAR strategic framework and support for the implementation of the PAR sector reform contract.

Although under changed circumstances due to the Covid-19 outbreak, the period of March-October period was intensive in terms of implementing public administration reform (PAR) in Serbia. The Government and the European Union reached the agreement about amending the PAR Sector Reform Contract (SRC) to extend its implementation period and to create an additional tranche to support Serbia. The contract addendum has been signed and **the PAR SBS**, including the utilisation of complementary assistance, **has been extended**. The Government adopted the **new e-Government Programme 2020-2022**, and the working group for elaboration of the **new Regulatory Reform and Public Policy Management Programme** has been established. Also, the PAR Council has approved the Annual Report on the Implementation of the PAR Strategy Action Plan 2018-2020 and the Third PAR SBS Self-Assessment Report. The EU for PAR under the Sector Reform Contract project supported majority of those developments.

A number of important project activities were successfully finalised. Development of the first draft of the new PAR Strategy and its Action Plan as well as the development of a finalised ex-post analysis for the Regulatory Reform Strategy and an international comparative analysis supporting the development of the new Regulatory Reform and Public Policy Management Programme should be mentioned. Yet, some tasks are still ahead of the project until end January 2021.

## IN #2:

- **ZOOM ON: NEW E-GOVERNMENT PROGRAMME 2020-2022**
- **EVIDENCE-BASED POLICY MAKING**
- **PUBLIC POLICIES MEETING FISCAL REALITY**
- **REGULATORY REFORM - LESS BUREAUCRACY, MORE TRANSPARENCY**
- **PROJECT HIGHLIGHTS**

## PROJECT IN BRIEF:

The EU for PAR under the Sector Reform Contract (EU4PAR) project supports the implementation of the new legal framework for evidence-based policy making and strategic planning. The project provides policy advice, supports the revision or development of new public policy documents related to PAR, and facilitates institutional and human resource capacity building with regards to the enforcement and management of the policy making reform and PAR in general.



# ZOOM ON: NEW E-GOVERNMENT PROGRAMME

In June 2020, the Government of Serbia adopted a new e-Government Programme (including an Action Plan) for the period 2020-2022. The Programme is part of the strategic framework for PAR and is also the first government policy on this area which was developed in accordance with the Law on the Planning System (LPS) adopted in 2018. The EU4PAR project supported the development of the Programme with expertise for a detailed ex-post assessment of the previous e-Government Strategy, as well as an ex-ante impact assessment on the new Programme.



The Programme envisages public administration reform in a way that uses innovative technical solutions that will enable economic development, increase the efficiency of the public administration resulting in potential savings in the budget and improve the access and quality of service provision to citizens and the economy. The Programme is aligned with the EU e-Government Action Plan, using EU standards for digitalisation, inclusion and accessibility, openness and transparency, interoperability, reliability and security, and user-friendliness, as benchmarks for the further development of e-Government.

The main objective of the Programme is the development of an efficient and user-friendly public administration in a digital environment. This objective is expected to

be achieved by further developing IT infrastructure and ensuring the interoperability of systems, improving legal certainty in the use of e-Government services, increasing the availability of e-Government services

to citizens and businesses and by providing open data for use by the public and private sectors, as well as citizens.

To achieve the first objective, the Programme plans to build physical infrastructure and strengthen human resources of the public administration in the area of IT. Measures envisaged for this purpose include the completion of the State Data Centre in Kragujevac, connecting central and local governments to an integrated information and communication network. Of strategic importance is the completion of the Central Population Register, the development of a meta-register, strengthening information security and training officers to work in the digital environment.

Sustainable digital transformation of the public administration requires **legal security in the use of electronic services**. Measures of the Programme aimed at harmonising e-Government with the legal system and achieving interoperability between IT systems of the administration and the Judiciary were defined in cooperation with the Ministry of Justice. Once the measures have been implemented, electronic documents will be recognized and accepted by courts and bailiffs and public administration bodies will confirm the authenticity of documents with electronic seals.

**Increasing the accessibility of e-Government to citizens and the economy is**

**“ THE MAIN OBJECTIVE OF THE PROGRAMME IS THE DEVELOPMENT OF AN EFFICIENT AND USER-FRIENDLY PUBLIC ADMINISTRATION IN A DIGITAL ENVIRONMENT ”**

expected to be achieved by implementing measures aimed at optimizing and digitizing procedures, services, registers and records, as well as improving the functionality and design of the e-Government portal (<https://euprava.gov.rs>) and websites of public administration institutions. For citizens this means that more electronic services will be available for dealing with everyday life events (relocation, tax payment, car registration etc.). Also, measures aim at improving the issuance of certificates electronically, electronic delivery of documents, and facilitating electronic payments. More services are expected to be available via mobile phones, with a possibility to monitor progress in processing requests.

Finally, modern administration is hard to imagine without **opening data in the possession of the state bodies** so that citizens and the economy can use them to create new services and products and thus, encourage economic development. One of the envisaged measures is the introduction of the "smart city" concept, as a basis for creating a platform for the exchange of data relevant to local development.

## “ MODERN ADMINISTRATION IS HARD TO IMAGINE WITHOUT OPENING DATA IN THE POSSESSION OF THE STATE BODIES ”

# OPEN DATA READINESS ASSESSMENT IN SERBIA



Every fourth citizen of Serbia has never used the Internet;



At the republic level, 7 out of 10 households have internet access;



Citizens over 55 years of age and people with lower education level than secondary school or without education are most at risk of digital isolation;



Fewer women (70%) have accessed the Internet than men (76.8%) in the last three months;



Every fifth citizen of Serbia has never used a computer



93% of households have a mobile phone.

Source: UNDP and the World Bank analysis based on the SORS data

### THE CURRENT STATE OF USE OF INFORMATION TECHNOLOGIES IN SERBIA (STATISTICAL OFFICE OF THE REPUBLIC OF SERBIA FOR 2017)



**Internet access:** according to SORS data one in four citizens of Serbia have never used the internet



**Owning a device:** one in five citizens of Serbia have never used a computer



**Use of e-Government services:** 32% of the internet population uses e-Government services, which amounts to around 1 270 000 persons. 98.6 % of companies used public administration e-services in 2016.



**Broadband internet connection:** a total of 72.5% of the households have a broadband internet connection that provides faster internet access and downloads

# EVIDENCE-BASED POLICY MAKING

Development of evidence-based policies is in the forefront of the policy making process in Serbia. With the adoption of the Law on the Planning System the requirements, as well as the scope of documents for which various analyses are to support better policies and to ensure the development of sound implementation, have been substantially expanded. Detailed guidelines for ex-ante and ex-post analysis of public policies and regulations developed with the project's support are to ensure that the terms, concepts and methods stipulated by the regulatory framework will get a clear and unified explanation.

Proper public policy making implies that the public policy measures are evidence-based i.e. that they are based on adequate, sound information. The process assumes that there is a transparent consultation process, that stakeholders can provide a feedback and that relevant answers on whom, when and how policies will be implemented, are stated clearly. Finally, it is important to clearly articulate how the results will be measured - says Branko Radulović, PhD, Project expert and one of the authors of the Handbook on Impact Assessment of Public Policies and Regulations.

## **Policy development and implementation involves a series of steps. What are these steps - how are public policies prepared and adopted?**

The first step is the initiative - for someone to understand that something needs to be done in a particular policy area. After that, it is necessary to look at the current situation, assess whether there are problems, and if they exist, what are their causes and consequence. This enables policymakers to see if there is a need to adopt a set of new measures or change the existing policy. After that, the analysis starts. It is a relatively resource-demanding process. Policymakers should carefully assess key measures they consider and examine whether there are alternatives that can be better in terms of outcomes or something else needs to be done to achieve the desired goal.

## **When we say public policy - it is understood that it is open to the public. How can the public participate in the creation and contribute to a better quality of public policies?**

Public participation is essential to reach high quality policy decisions. The public can give comments and feedback. Often ministries or

other decision-making bodies look at the specific issues from the wrong perspective. The assessment is not done from the perspective of a ministry or an agency but looks at the broader social context - whether something is good for the society or not. Another typical mistake is that public participation often comes only at the very end. It is not just a public debate that comes at the end, but consultations last throughout the process, it is checked whether the problem is well defined, whether the proposed set of measures is adequate, what could be better. So, you also need information from the persons you regulate or from those who are interested in that area.

## **Why citizens or the interested public must be involved in the process of adopting public policies?**

Otherwise, a policy could have side effects. There are often unintended consequences of specific measures. There is a saying that economists often use: the road to hell is paved with good intentions. To prevent misguided decision making, that is to prevent the adoption of bad laws or other types of policy measures, it is necessary to gather as much information as possible, to understand the current situation better. Without the exchange of information, this is not possible.

## **What is the role of the Law on the Planning System?**

The Law on the Planning System (LPS), for the first time established a clear framework in terms of how public policies are adopted. Hence, since the adoption of the LPS, public policies should not be adopted ad hoc. However, some issues and requirements set by the LPS may be overly complex. One may state that the demands placed on our state admin-

**Public Policies and Regulations Impact Assessment Handbook**, with accompanying checklists and many practical examples, is intended for civil servants and should help them in conducting an ex-ante and ex-post analysis of the effects of public policies and regulations, as well as evaluating their effects. The Handbook will help civil servants to analyse the effects of public policies and regulations adequately, i.e. to answer two key questions: is the planned state intervention appropriate and what are the optimal ways to solve the identified problems and achieve the desired goals? To answer these questions, the Handbook provides an overview of the various instruments and techniques for analysing the effects of public policies and regulations. Drawing on national regulations and examples of good practice, this document provides practical guidance on how to make public policies and regulations more effective, efficient and cost-effective throughout the process of preparing, implementing, monitoring and reporting on the implementation and effects of public policies.

istration may be too ambitious. The scope and depth of analysis doesn't need to be as detailed as the Law currently prescribes, some things in the regulation could be simplified, because in that way the state administration would apply the requirements more easily and would not see them as something that is overly burdensome. Hence, there are certain problems in implementation, and it would be good to fine tune these issues in the coming period so that the legal framework would be more applicable.

## **The European Union provides support to Serbia for public administration reform through the Sector Reform Contract. How does this support affect the policy-making process in Serbia?**

The European Union, through the Public Administration Reform Support Project, provides significant support in the field of improving the implementation of the Law on the Planning System, through the preparation and implementation of a series of training, but also through the preparation of manuals that should enable public administration to do so. The Handbook on Impact Assessment of Public Policies and Regulations is one of them.

The biggest problem with the impact assessment is that it often starts too late, only after the political decision has already been made in advance. Then an attempt is made through the analysis to justify such political decisions. Another problem is that, often, goals are narrowly considered. The public administration does not see what and in what way creates costs for third parties - citizens and economic entities. Analysis must be prepared in a slightly different way - it is a useful tool for the state administration, which prevents making mistakes.

# PUBLIC POLICIES MEETING FISCAL REALITY

Costing is a well-known weakness in the development of public policies, and Serbia is no exception. The Law on the Planning System provided the necessary legal framework for the requirements related to cost estimations of planning documents and the financial consequences of new policies, especially their impact on the budget.

Sound public policies are those that solve the critical problems of society efficiently and effectively. To know where we want to go, and to be able to follow whether we are on the right path, the goal of public policy must be clearly defined, as well as how its achievement will be measured.



Optimal measures are those that give the desired results, with minimal public spending, or spending that will not jeopardize fiscal sustainability (i.e. spending in line with the fiscal strategy of the state). The analysis of the benefits and costs of measures and the use of this information in decision making is, therefore, one of the key steps in the preparation and adoption of adequate public policies - says Majda Sedej, Project expert and one of the authors of the Handbook for Determining the Costs of Public Policies and Regulations.

## How then are good public policies defined, public policies that can be implemented?

Often, public policy documents (strategies, programmes) are wishlists that end with a low

implementation rate. A lot of energy goes into the analysis, consultation, writing and adoption of documents, and the results are disappointing. Many well-intended measures "crash" when they hit fiscal reality. The precondition for the implementation of public policy is that its goals are realistic, which is confirmed or denied, among other things, by determining the costs for achieving them in the desired time and ensuring the source of funding. The Law on the Planning System and accompanying regulations define the obligation of the proposer of a public policy document to estimate the implementation costs for each of the envisaged measures and activities (in each of the years of the document validity), as well as to provide a source of funding.

## Cost estimation of measures and activities is one of the critical tools?

Resources for the implementation of public policies are limited, and timely information on costs and sources of funding allows available resources to be managed efficiently and increase benefits for the society. For the Government and the Ministry of Finance, cost information is essential to ensure that, in line with public policy priorities and fiscal strategy, the necessary funds are provided on time in the budget or from other sources (such as donations, borrowing, etc.). On the other hand, determining the costs may indicate a lack of financial resources, which may jeopardize the implementation of planned measures and activities and the achievement of established goals.

## What happens if the funding needed for policy implementation are not available?

If the Ministry of Finance, based on the estimated costs of policy measures and effects on the budget, does not give a positive opinion on the proposed act, the proposer has several



**Majda Sedej** is an economist and IT professional with over 10 years of experience in areas of public financial management and public administration reform. She has been advising the Ministries of Finance and other public sector authorities in several countries on policy and institutional planning, program budgeting, performance management, and related IT solutions. She has also led multi-national teams of experts in donor-funded technical assistance projects.

options: to review the priorities and redistribute the available funds accordingly; reduce the scope of the policy document, i.e. reject some initiatives; to redistribute the deadlines within which specific measures or activities will be implemented; find other ways to achieve goals that require fewer resources; seek other sources of funding, such as donations, loans or public-private partnerships.

## The Public Administration Reform Support Project under the Sector Reform Contract provided support to the Public Policy Secretariat and the Ministry of Finance in drafting a Handbook for Determining the Costs of Public Policies and Regulations following the newly adopted regulations. Who is this manual for?

The manual aims to ensure that a uniform methodology and standardised prices are used. It is intended for officials involved in drafting public policy documents and provides practical instructions for calculating costs. To facilitate and standardise the process of calculating the costs of implementing public policy documents, an Excel tool has been developed that allows automatic calculation of document costs based on the choice of category and subcategory of implementation costs, i.e. activities in a given year, standardized or other unit prices, quantity, and number of annual payments. Also, the project has developed a training programme for determining the costs of public policies and trained trainers who will implement this training within the yearly training programme for civil servants of the National Academy of Public Administration.

The Handbook for Determining the Costs of Public Policies and Regulations aims at collecting international good practice and advice to supplement the existing guidance for policy costing to the expanded scope and for the purpose of helping the steady enhancement of public policy documents and regulations in this respect. In addition to detailing the application of policy costing, the Handbook is also explaining how the results of costing should be embedded in the budgetary planning processes, including the necessary information transfer to the MoF Estimation of Financial Effects (PFE) forms.

# REGULATORY REFORM – LESS BUREAUCRACY, MORE TRANSPARENCY

## Regulatory Reforms in Serbia

Pursuing regulatory reform and recasting the policy management system are important parts of successful public administration reforms. Their purpose is to establish a legal and institutional framework that provides citizens and businesses with an environment in which their needs are recognised and that allows them to exercise their rights and meet their obligations in the most efficient and least bureaucratic way. Regulatory reforms also serve to create a **more transparent public administration**, by involving the private and civil sectors in law-making and public policy development processes.

In the Republic of Serbia, regulatory reforms have been implemented since 2003, when regulatory impact assessment (RIA) was introduced. The Regulatory Reform Strategy for the period 2008–2011 was the first strategic document in the field of regulatory reform, aiming to create a favourable economic environment, to strengthen legal certainty and to increase the **competitiveness of the economy**. Through the implementation of this Strategy, the legal framework significantly improved, by repealing unnecessary regulations and reducing the administrative burden of regulations on the economy.

**“ THIS OBJECTIVE WAS TO BE ACHIEVED BY IMPROVING THE WHOLE PUBLIC POLICY MANAGEMENT SYSTEM ”**



### RESULTS ACHIEVED

A number of key results envisaged in the Strategy were delivered. The most prominent results are the development of a new policy management framework through the **Law on the Planning System** and two by-laws, an inter-sectoral information system, the development of an administrative procedures registry with more than 2,600 procedures collected.

Various tools published on the PPS website can be used in the process of drafting regulations and public policy documents, such as the Calculator for possible administrative costs of regulations and public policy documents: <http://rsjp.gov.rs/kalkulator/> or the Micro, Small or Medium-Sized Commercial Entities Impact Test for a business regulatory impact assessment: <http://rsjp.gov.rs/reforma/#test> In addition, the general training programme for 2019 extended the training system to the local level aimed at adequate application of the planning system at local level. Also, in cooperation with the EU4PAR project, a draft handbook on public policy management with checklists and forms for public policy proponents, guidelines and forms for ex-ante and ex-post impact assessments, a handbook for policy costing, a handbook on public consultation and coordination processes, medium-term planning guidelines were developed and a modular training programme for public officials on **implementing the new framework** for public policy management has been designed.

Overseen by the Public Policy Secretariat (PPS), the Regulatory Reform Strategy for the period 2016–2020 aimed at establishing an evidence-based system for public policy management and regulatory processes, based on principles of good regulatory practice and prepared in a transparent and inclusive way. This objective was to be achieved by improving the whole **public policy management system**, as well as the regulatory process and the quality of regulations, simplifying administrative procedures, and establishing a system for monitoring administrative burden on citizens and businesses.



# “ THE PROJECT EXPERT TEAM IS SUPPORTING THE PPS AND THE WG TASKED WITH THE DEVELOPMENT OF THE PROGRAMME IN DEFINING SMART OBJECTIVES AND INDICATORS ”

the PPS, in developing the new Programme in accordance with the requirements of the LPS. The new Programme is intended to be developed in an inclusive and transparent manner, while the necessary human and financial capacities will also be aligned with the number and scope of activities foreseen. Furthermore, the intervention logic will be fully aligned and connected with those of other relevant public policy documents, in particular with the forthcoming Public Administration Reform Strategy (2021-2030).

The project expert team is supporting the PPS and the WG tasked with the development of the Programme in defining **SMART objectives** and indicators, setting **realistic**

**implementation milestones**, securing that the future Programme will be operational from the moment of its adoption, **distributing responsibilities for implementation** of the Programme across the state administration bodies in a balanced way, **costing activities** and developing a risk mitigation plan, and ensuring continuous monitoring and management through an effective framework for **strategic and operational coordination**. In addition, EU4PAR project experts have completed a **comparative analysis of international** practices in public policy development and management, and regulatory reform, to provide developers with up-to-date benchmarks on international practices.

### THE NEW REGULATORY REFORM PROGRAMME

The EU4PAR project has been supporting the PPS and other stakeholders in the development of the forthcoming Regulatory Reform and Public Policy Management Programme (2021-2027) through assistance in conducting an ex-post assessment of the 2016-2020 Strategy and Action Plans. The assessment targeted implementation bottlenecks and capacity issues. By evaluating how consistent the intervention logic was, how well it was operationalised through measures and activities and how effectively the responsible institutions implemented their tasks, the analysis provides guidance for the forthcoming Programme. The main recommendations from the assessment address the quality of the future strategic framework for regulatory reforms, and the efficiency and coordination of implementation.

Based on the achieved results in recent years, the new Programme will aim at ensuring that public policies and regulations will be based on evidence, prepared in a transparent and inclusive way, and achieve the planned effects with a minimum of restrictions. It will do so by **improving the business environment and reducing unnecessary burdens on citizens** and the economy, strengthening capacities and instruments for developing and monitoring public policies and regulations, and more effective policy coordination.

Since the start of the work on the new Programme has been announced in April 2020, the EU4PAR project experts have supported a multi-stakeholder working group (WG), led by



# PROJECT HIGHLIGHTS

THE MEDIUM-TERM PLANNING (MTP) MANUAL

THE MANUAL FOR REGULATORY AND POLICY IMPACT ASSESSMENT (RIA/PIA)

THE POLICY COSTING MANUAL

PUBLISHED



## TRAINING OF TRAINERS

The Training of Trainers programme for public policy management and change management, including soft skills has been finished with the certification of 25 participants.

The training provided a strong basis for stepping further in dissemination of knowledge related to the implementation of the Law on the Planning System with a wide group of civil servants from various state institutions.



## NEW PAR STRATEGY

The first draft of the new PAR Strategy, its Action Plan and the Strategy Indicator Passports were finalised and submitted for review and comments by the MPALSG to the OECD/SIGMA Programme. Work has continued on the underlying impact assessment, the risk management framework and the monitoring setup of the Strategy.



## THE ONLINE MONITORING TOOL BECAME OPERATIONAL

The Online Monitoring Tool (OMT) was finally and successfully finished and officially published in May 2020 (<https://monitoring.mduls.gov.rs>)



## THE THIRD SBS SELF-ASSESSMENT (SA) REPORT FINALISED

The Third SA Report has been successfully finalised with the project team support based on good practice and the lessons learned of the past. As a result of all joint efforts, the Third SA report has been approved by the PAR Council in August after which it has been processed for evaluation to the EU along with the request of release of the third tranche of the SBS funds.



REPUBLIC OF SERBIA  
Ministry of Public Administration  
and Local Self-Government

This project is funded by  
the European Union



#EY  
ЗА ТЕБЕ



# EU FOR PAR UNDER THE SECTOR REFORM CONTRACT

📍 DRAGOSLAVA JOVANOVIĆA 3  
11000 BELGRADE, REPUBLIC OF SERBIA

☎ +381 11 4029 563

🌐 [PUBLIC-ADMINISTRATION-REFORM.EUZATEBE.RS](https://PUBLIC-ADMINISTRATION-REFORM.EUZATEBE.RS)