

Regional Network of Policy Makers in South East Europe

2nd Meeting of the Steering Committee

MEETING MINUTES AND ACTION PLAN

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Tirana, Albania, December 9 – 10, 2008

Main themes

- A. Stakeholder involvement in business environment reform – national and sub-national governments, parliaments, private sector, experts
- B. Fostering regional partnerships and positioning the Network
- C. Priorities – areas of work
- D. Activities and outcomes – ACTION PLAN

A. Stakeholders - role in reform and current challenges

The Committee members offered ideas and experiences from their areas of work.

National governments

Role

- High-level leadership and drive for reform
- Agenda-setting, as main source of legislative proposals
- Balance the interest of business and economic growth and consumers
- Expertise on application of laws held by long-time staff
- Ministries of Finance and Justice have a key role in reforms, as well as Offices of legislation and EU integration. Ministries dealing with PSD should be mentioned

Issues

- Accountability and transparency require a continuous effort
- Lack of systemic reform – politicians go for quick wins but fail to institutionalize reforms
- Political economy of reform
- Need for Regulatory Impact Assessment be established or strengthened
- Reform prioritization
- Need to complement with the sub-regional effort for reform
- Building consensus among experts for the reform

Parliaments

Role

- Legislation enactment and oversight
- Appoint and oversee regulatory agencies
- Public consultation – committees are starting to work on the local level as well

Issues

- Low influence in policy-making, “rubber-stamping”
- Dependence on political parties
- Need for Regulatory Impact Assessment
- Is oversight effective?
- Inadequate administrative and expert support
- Lack of MPs confidence and fear of responsibility

- Expert consultation

- Increasing demands for reform (EU accession)
- Party politics trumps genuine interest
- Difficulty of integrating different expert recommendations for legislative reform

Sub-national governments

Role

- Simplification of procedures and services affecting domestic and foreign investors
- Ensuring reform sustainability and implementation among departments

Issues

- Support from national governments and collaboration on multi-level reforms
- Making reforms systemic
- Procedure simplification versus standardization
- Capacities to implement reforms

Private sector

Role

- Feedback on reform implementation

Issues

- Vested interest
- Adequate attention to SMEs
- Lack of active role in policy design

Experts/donor community

Role

- Advise and advocate for reforms
- Effective facilitator of reforms due to reputation and credibility

Issues

- Coherence of policy recommendations among experts from different donors
- Overlap of efforts due to lack of donor coordination

B. Fostering Regional Partnerships and Positioning the Network

The Committee considered a **strategy** for collaboration with the Regional Cooperation Council, based on proposals by RCC.

I. RCC Overview

Economic development

1. Investment promotion and investment facilitation
 - a. OECD projects
 - i. Investment Reform Index
 - ii. Regional competitiveness initiative (financed by EC) – 4 sectors covered/published report
2. SMEs development
 - a. OECD projects
 - i. SMEs Policy Index (business climate for SMEs, recommendations for improvement – to be published early 2009)
 - ii. SEE Investment Committee (once-twice a year/ Ministerial level, working groups for regulatory reform, human capital, anti-corruption and investment promotion)
3. Free trade
 - a. Implementation of CEFTA 2006 (how the implementation going, at what extent the private sector could be involved)

Social development

1. Employment policy

- a. Country reviews on employment policies (almost all SEE countries)
 - b. Building a network of heads of employment agencies
- 2. Social dialogue
 - a. Labor unions and employers' organizations
- 3. Public Health
 - a. SEE network on public health

II. Suggested areas for cooperation between RCC and the Network

1. Coordination of policy reforms in the region in order to promote competitiveness
2. Collaboration with the OECD Investment Committee to capture synergies, and strengthen the work on the local level, where the Network has more penetration
3. Contribution to the Investment Reform Index/other instruments and lobbying for reforms
4. Promotion of better communication among governance structures, particularly ministries of labor, education and economy, and help develop an institutionalized communication channel – through pilot working groups
5. Establishment of pilot working groups to work on sector-specific areas
6. Cooperation with the Business Advisory Council – a private consultative body which brings together influential domestic and foreign businesses. Cooperation in bringing about a dialogue between government and business on recommendations for reform.
7. Trade – overcoming non-tariff barriers to trade and corruption, harmonization of customs (one-stop-shop approach at customs) - securing much needed political support
8. E-government - Electronic SEE initiative.
9. Identifying training priorities in the region - possible collaboration with the recently established Centre for E-Governance Development in Ljubljana

III. Conclusions – Positioning the Network to support reforms

1. Policy development - the Network aims to be an active participant in policy-design, rather than just implementer
2. Visibility and reputation - a key task is making the Network visible among high-level leaders
3. Targeting efforts - The Network's priorities should be targeted to areas where other initiatives are lacking, such as engaging SMEs and promoting cooperation among parliamentary committees, particularly in the context of EU harmonization. It should capitalize on available expertise and link with the national reform agenda
4. Constituency building - in order to strengthen the Network, Steering Committee members should further identify and engage constituents in their countries
5. Policy coherence - the Network should ensure coherence among different policy instruments such as provided by IFC and OECD, and support a strong regional collaboration through peer-to-peer exchange
6. Sector – specific work - it was agreed that opportunities for exchange and learning among practitioners in the same technical area should be provided

C. Priorities – areas of work

Results of a regional policy survey (presentation attached) reveal regulatory reform, business environment reform and public administration reform as key priorities in the region.

Trade and EU integration have also emerged as important priorities, particularly more effective CEFTA implementation and collaboration on the process of EU harmonization among parliaments.

D. Action plan – Blueprint for 2009

The Regional Network of Policy Makers in South East Europe continues to be led and supported by IFC/FIAS, Regional Manager Margo Thomas, with coordination role held by Ana Budin

Task	Activities/Outputs	Target constituency
Visibility of the Regional Network	Participation at ministerial-level meetings	Parliamentary and national government leaders
	Meeting with RCC	Overall relevance
	Website and visual identity development	Overall relevance
	Business environment reform publication	Overall relevance
Strengthening involvement and capacity of key constituents	Regional meeting of parliamentarians	Parliaments
	Building strong national networks by identifying institutions and individuals	Overall relevance
	Building a sustainable network with private sector	BAC, CCI and other relevant business institutions
Ideas for peer-to-peer exchange in priority work areas	Development of proposals for meetings, workshops and training	National government Offices of EU integration
		Offices of Legislation
		Public Administration reform
		Sub-national government
		Parliaments – EU harmonization
	Business community –SMEs	

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