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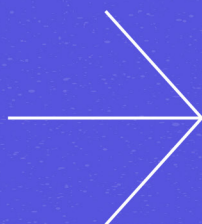
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Institutional set-up and external consultations for the preparation of the Economic Reform Programmes in the Western Balkans

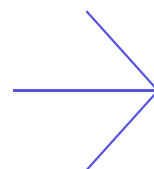
Research Report





Institutional
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in the Western Balkans

Research Report



Institutional set-up and external consultations for the preparation of the Economic Reform Programmes in the Western Balkans

Research Report

Publisher:

European Policy Institute - Skopje

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Graphic design:

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Skopje, 2023

“This document is prepared within the Project “Protecting Civic Space – Regional Civil Society Development Hub” financed by Sida and implemented by BCSDN “.

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The Economic Reform Programmes process - Brief introduction

All candidates and potential candidates for European Union (EU) membership prepare, adopt and implement [Economic Reform Programmes \(ERPs\)](#). The ERP exercise prepares the enlargement countries for their future participation in the EU's economic policy coordination procedures, the European Semester. The ERPs have an important role in economic policy planning and steering reforms to sustain macro-economic stability, boost competitiveness and improve conditions for inclusive growth and job creation. Under the revised methodology, the economic criteria is part of the Fundamentals cluster and the EU aims to create a [stronger link with the ERP](#) process to help the countries meet the economic criteria.

All countries in the enlargement process take part in Economic and Financial multilateral dialogue (EFMD) with the Ministers of Finance of the EU Member States, the EU and the European Central Bank (ECB) on an annual basis. This policy coordination process and dialogue results in adoption of [Joint conclusions](#) that set out policy guidance for each of the countries. These country specific recommendations (CSRs) serve as specific economic policy priorities for the coming 12 months. These CSRs should be addressed with specific measures in the ERPs.

The European Commission (EC) provides guidance for the candidate countries i.e. [Guidance note](#) (guidelines), and provides assistance to the candidates for preparation of the ERPs. Moreover, the EC prepares and [publishes annual assessment](#) on the ERPs and the level of implementation of the CSRs.



Role of external stakeholders in the preparation of the Economic Reform Programmes

EC acknowledge the importance of [external consultations](#) in the process of preparation of the ERPs noting *“Involvement and participation of all actors is essential to ensure ownership and facilitate progress on the implementation of the policy guidance and reforms [...] The ERP should be subject to a specific and separate external consultation, giving stakeholders the opportunity and sufficient time to comment on a draft version of the ERP”*.

Thus, as noted in the EC guidelines, the candidate countries should in a separate section *“Institutional issues and stakeholder involvement”* explain the institutional process for the preparation and approval of the Economic Reform Programme as well as the public consultation. In particular, the ERPs should include information on:

- » The government ministries and agencies involved in the process and how the coordinator arbitrated different interests.
- » The process by which regional and local authorities were involved in the preparation of the programme and in the implementation of the past policy guidance and commitments.
- » When the programme was presented to the national Parliament and the outcome of the discussions.
- » The process by which social partners (employers’ associations and trade unions) and civil society were consulted in the preparation of the programme and their main comments and the extent to which their comments have been taken on board.

Moreover, under the ERP coordinator’s discretion, all the feedback, comments and suggestions received as part of the stakeholder consultation process(es) should be considered and included to the ERP. In Annex 3 to the ERP, candidate countries should include all of the main comments received during the consultation process, as well as feedback and the extent to which they have been taken onboard.

Scope and methodology

This analysis focuses on how the Western Balkan (WB) countries¹ are implementing the EC guidelines on the institutional arrangements within the Government and the involvement of state and non-state actors in the ERP process. In particular, it explores the institutional set up and phases in the preparation, and adoption of the ERP, including the role of local government, national Parliament and other stakeholders in these processes. Furthermore, it explores the different mechanisms for external consultations deployed across the WB and how these efforts have effectuated in terms of obtaining feedback and contribution to the ERP. Lastly, it takes a look on the EC assessments on the institutional set-up and the consultation processes for the ERPs, particularly how the EC evaluates the (lack of) external stakeholders' participation.

For the purpose of this analysis a methodological approach consisted of two approaches. The ERP 2022-2024 for each WB country were analysed, in the sections on "Institutional issues and external consultation", and other sections that provided relevant information for this research. In cases when no data relevant for this research was available or there was a need for more detailed information than what the ERPs provide, free access to public information was used. The questions were sent to national ERP coordinators in Bosna and Hercegovina, Kosovo and North Macedonia. The researchers from North Macedonia and Serbia held interviews with the national ERP coordinators for their respective countries.

The second part of the research was an online survey. The questionnaire was distributed using purposeful sampling, targeting social partners (employers' organisations and workers unions), chambers of commerce, civil society organisations (CSOs) across the WB already involved in the ERPs consultations. The questionnaire consisted of questions related to the stakeholders' role in the ERPs preparation, implementation and monitoring, their experience with providing feedback on the consultation processes, and proposals on how to improve the existing mechanisms for external consultations. 18 responses were received in total, of which 9 think-tanks, 3 international organisations, 2 chambers of commerce 2 employers' associations and one trade union. The answers are analysed cumulatively, rather than country by country approach.

¹ Western Balkan refers to Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Kosovo and Serbia.

Institutional set-up of the ERP process

The EC guidelines on the institutional arrangements require WB countries to appoint official ERP coordinator within the government whose role would be to steer the process,² and an ERP Working Group (ERP WG) consisted of the ERP coordinator and ERP coordinators in each Line-Ministry works on the preparation of the document should be established to ensure broad ownership of the exercise within the Government.³ The ERPs need to be endorsed at the highest level.⁴

This section presents the institutional set up in the preparation of the ERP with focus on the coordination functions and responsibilities among national institutions and, where applicable, of other state actors. It puts emphasis on the phases and milestones in the preparation of the ERP, and date of submission, and the support from international organisations and institutions in the process.

Section summary

The WB countries have in general similar Institutional set up for preparation and adoption of the ERP within the Government. Each country has established ERP WG tasked to prepare the document. The ERP WG is led by the Ministries of Finance of each country, while the line ministries and other relevant institutions are involved in the preparation of the ERP and directly contribute to the preparation of the ERP. The composition of the ERP WG as well as the number of members differs country by country, depending of the government institutional set up. In the case of Kosovo, for example, the Ministry of Finance, Labour and Transfers is the National ERP Coordinator and leads the drafting of the ERP, it coordinates with the Strategic Planning Office (SPO) in the Prime Minister's Office and other relevant institutions in the process of preparation of the ERP. The Ministry of Finance (MoF) of Serbia cooperates with the Public Policy Secretariat in the preparation of the ERP. The only exception in terms of coordination structure is Bosna and Hercegovina where the whole process is led by Directorate for Economic Planning, rather than the Ministry of Finance, as this is a permanent body in responsibility of planning the state's development policies as of October 2006. Due to its decentralised constitutional and institutional order, the ERP is prepared with contributions from ERP Coordinators for Republika Srpska and Federation of Bosnia and Herzegovina.

² Page 2, EC Guidance for ERP.

³ Page 2, EC Guidance for ERP.

⁴ Page 2, EC Guidance for ERP.

General information on the ERP WGs work, including the process of preparation of the ERP is reported in the country documents. Brief description on the key milestones, steps and activities taken in the preparation of the ERP is available in the annex 3 to the ERPs as prescribed by the EC Guidance. Beyond the brief description of the ERP process, the information on the ERP WG is limited. The list of participating institutions is presented in the ERP, but their representatives in the ERP WGs are not public. A positive example in this regard is the list of contributors to the ERP in North Macedonia, available in the Annex of the document. One can note that, in general, there is no ongoing update on and publicly available information on the ERP WGs sessions and progress in the preparation of the ERPs throughout the year.

	ERP coordinator	ERP Working group	ERP approved/ adopted by	Local and regional authorities
Albania	Ministry of Finance and Economy	Inter-ministerial group and technical secretariat	Government (Council of Ministers) on 26.01.2022	Not involved
Bosnia and Herzegovina	Directorate for Economic Planning	ERP Coordinators for Republika Srpska and Federation of Bosnia and Herzegovina	Council of Ministers on special telephone session on 23.03 2022	Entities have their ERP coordinators, other tiers of Government not involved
Montenegro	Ministry of Finance and Social Welfare	Working Group for the Economic Reform Program	Government session (January 2022)	Municipalities participate in the public consultation process
North Macedonia	Ministry of Finance	Working Group for Economic Reform programme	Government session held on 28.01.2022	Municipalities Indirectly involved in external consultations
Kosovo	Ministry of Finance, Labour and Transfers	Coordination with the Strategic Planning Office (SPO) in the Prime Minister's Office, and policy area coordinators from line ministries	n/a	Municipalities not formally included in ERP preparation process
Serbia	Ministry of Finance	Government Inter-ministerial Working Group	Government session on 20.01.2022	Involved during the consultation processes

The ERPs in all countries are adopted at highest level as per scripted in the EC guidelines. The programmes are adopted on Governments and Council of Minister's session, where relevant, shortly before the deadline for submission of the ERPs to the EC which is 31st of January. In the case of Bosnia and Hercegovina, it was noted a delay in the preparation of the ERP and the submission of the programme.

The local and regional authorities, are not directly involved in the preparation of the ERPs. They are rather invited to submit comments and recommendations during the public consultations, thus being treated as all other stakeholders. The only exception in this regard is Serbia where the MoF directly engaged with the local government at in person event, where selected ERP sections, rather than the whole document are presented to the SCTM Annual Assembly. The mechanism for consulting local and regional government are generally the ones deployed for the external consultations. In all three countries the associations of municipalities have gave comments to the ERP of their respective country.



Roles and responsibilities of national institutions in the preparation of the ERPs – country overview

Albania

The Economic Reform Program of Albania 2022 - 2024⁵ is coordinated by the Ministry of Finance and Economy in the role of the national ERP coordinator, based on the Order of the Prime Minister No. 107 dated 06.08.2019 “On the establishment of the inter-ministerial group and inter-institutional technical secretariat for the coordination, preparation and drafting of the Economic Reform Programme of Albania”. This order sets out the ERP’s coordination structure as well as the establishment of the inter-ministerial group and technical secretariat. According to this order, each line ministry is required to have a focal point responsible for coordinating the ERP process within their respective ministry.

The ERP 2022-2024 notes that the coordination team in the MFE has collaborated with government institutions and other public authorities, different line ministries and the Bank of Albania, who have contributed with reform measures in accordance with the priorities of the government and national and regional strategies and documents. However, the ERP 2022 - 2024 does not provide a specific list or detailed information about the government institutions and other public authorities involved in this process.

The Economic Reform Programme 2022-224 was published for public consultation on the official website of the Ministry of Finance and Economy, from 22 December 2021 until 31 January 2022⁶. Additionally, in accordance with law no. 146/2014 “On notification and public consultation” the draft Economic Reform Programme 2022-2024 was uploaded to the national electronic register for public notifications and consultations⁷ on 22 December 2021, but no comments were received. The ERP 2022-2024 was approved by the Government on January 26, 2022, and submitted to the European Commission on January 31, 2022.

As previously stated, there is a lack of information regarding the authorities’ involvement in the drafting of the ERP 2022-2024, and additionally, there is a scarcity of accessible information regarding the engagement of these authorities in the implementation of policies and reform measures outlined within this program. The ERP 2023-2025 includes a table that presents the progress made in the implementation of reforms in the ERP 2022-2024, but it does not provide specific information regarding the authorities involved in the implementation. Instead, it provides only an assessment of the extent of their implementation on a scale ranging from 0 to 5.

5 Economic Reform Program of Albania 2022 - 2024 <https://financa.gov.al/wp-content/uploads/2022/02/ERP-2022-2024.pdf>

6 Available at: <https://www.financa.gov.al/programi-i-reformave-ekonomike/>

7 Available at: <http://konsultimipublik.gov.al/Konsultime/Detaje/439>

Bosnia and Herzegovina

The Bosnia and Herzegovina Council of Ministers established the Directorate for Economic Planning as a permanent body in responsibility of planning the state's development policies in October 2006. BiH prepared its eighth ERP in limited conditions. This ERP is specific compared to the previous ones because it was done in conditions of delay in decision-making of the Council of Ministers and institutions of Bosnia and Herzegovina (without the adopted Action Plan which is the basis for drafting the ERP) and in the circumstances caused by the Covid 19 pandemic.

The program is created by the Directorate for Economic Planning of Bosnia and Herzegovina with contributions of Coordinators for both entities, Republika Srpska and Federation of Bosnia and Herzegovina, and after that, it is adopted by the Council of Ministers. The Directorate for Economic Planning of BiH and entity coordinators (Ministry of Finance of RS and Ministry of Finance of FBiH) manage the activities of drafting the program of economic reforms in accordance with competences. The program is developed based on the contributions given by the respective institutions and is discussed with representatives from the competent institutions and entity coordinators.

After the Federation of Bosnia and Herzegovina (FBiH Government 311st Session, 14/04/2022⁸) and Republika Srpska (RS National Assembly 26th Special Session, 17/01/2022⁹) adopted their Economic Reforms Programs, the entities' coordinators sent their contribution for the state level to the Directorate for Economic Planning of BiH which drafted the Program. The Council of Ministers of Bosnia and Herzegovina adopted the Economic Reforms of Bosnia and Herzegovina for the period 2022 - 2024¹⁰ at a special telephone session¹¹ on 23/03/2022).

Montenegro

The Working Group for the Economic Reform Program 2022-2024 was formed by the decision of the Minister of Finance and Social Welfare and it had 60 members. The Coordinator of the Working Group was a representative of the Ministry of Finance and Social Welfare. The rest of the Working Group consists of representatives of national institutions.¹²

In the process of preparing ERP 2022-2024, the consultation process was divided into two phases. First one started in September 2021 and it was for all interested parties to give their proposals for reform measures so that they can be integrated in the ERP. In this phase, representatives of international

8 FBiH Government press release <https://fbihvlada.gov.ba/bs/311-sjednica-vlade-fbih>

9 Decision of the RS National Assembly <https://www.narodnaskupstinars.net/?q=la/akti/odluke/odluka-o-usvajanju-programa-ekonomskih-reformi-republike-srpske-za-period-2022-2024-godine>

10 Economic Reform Program of Bosnia and Herzegovina 2022-2024 <http://www.dep.gov.ba/naslovna/?id=2581>

11 Council of Ministers press release https://www.vijeceministara.gov.ba/soapstenja/sjednice/soapstenja_sa_sjednica/default.aspx?id=37592&langTag=bs-BA

12 The EPR WG consists of the following members; Ministry of Education, Science, Culture and Sports (3 members), Ministry of Public Administration, Digital Society and Media (2 members), Ministry of Ecology, Spatial Planning and Urbanism (2 members), Ministry of Capital Investments (3 members), Ministry of Agriculture, Forestry and Water Management (2 members), Ministry of Health (3 members), Ministry of Economic Development (11 members), Ministry of Finance and Social Welfare (24 members), Central Bank (3 members), General Secretariat of the Government (2 members), the Office for European Integration (2 members), the Cabinet of the President (1 member) and the Cabinet of the Vice President (1 member).

organisations, NGOs, representatives of local self-government, trade unions and the academy community were present and gave their suggestions for improving the ERP 2022-2024.

The second phase continued in December 2021, with the aim of discussing the first draft of the entire document. The public discussion lasted from December 3 to December 23, 2021. Written proposals for the ERP 2022-2024 were submitted by UNICEF, the Union of Municipalities of Montenegro, Union of Free Trade Union of Montenegro, the Association of Youth with Disabilities of Montenegro and the Chamber of Commerce of Montenegro.

The round table, as part of the public discussion of the Draft PER was held on December 17, 2021. This round table was attended by representatives of the Confederation of Trade Unions of Montenegro, the Union of Free Trade Unions, EU Delegation in Montenegro, US Embassy, GIZ, municipalities of Tuzi, Berane, Bijelo Polje, Nikšić and Herceg Novi, as well as relevant ministries in the Government of Montenegro. During the discussion, proposals were addresses regarding to fiscal policy, financial system, the area of labor market, and economic empowerment of the nothern region of Montenegro. At the same time, wider consultation process was held in the Government of Montenegro. The Draft Programme of Economic Reform was considered by the competent committee, Committee on Economy, Finance and Budget.

Written proposals for improving the text of the PER draft were submitted by UNICEF, the Union of Municipalities of Montenegro, the Union of Free Trade Unions of Montenegro, the Association of Youth with Disabilities of Montenegro and the Chamber of Commerce of Montenegro.

After receiving all the proposals and suggestions during the consultation process, and based on the improvement of the text of PER 2022, the document was finalized and submitted for consideration and adoption at the session of the Government of Montenegro.

North Macedonia

The MoF is the ERP coordinator of the ERP of North Macedonia. The ERP of North Macedonia is prepared by an inter-ministerial working group of nominated ERP coordinators, one per ministry and other institutions involved.¹³ The ERP WG was established by a decision of Minister of Finance. According to the working practice, in addition to the WG members, employees of policy making and budget departments are actively involved in the preparation of the structural measures for each sector, currently standing at 74 members.¹⁴ One of the main challenges for the ERP WG is the changes of its members, thus there is a constant need for capacity building in line ministries.¹⁵

¹³ The Working group consist of representatives from the Cabinet of the Deputy Prime Minister in charge of economic affairs, coordination of economic sectors and investments, National Bank, Office of the President of the Government, Ministry of finance, Ministry of Economy, Ministry of Labour and Social Policy, Ministry of Education and Science, Ministry of Transport and Communication, Ministry of Agriculture, Forestry and Water Economy, Ministry of Information Society and Administration, Ministry of Health, Ministry of environment and physical planning, Public revenue office, Secretariat of European affairs, Public Procurement Bureau, Fund for Innovation and Technology Development, Employment Agency.

¹⁴ Interview with the ERP team of the Ministry of Finance, conducted on 30.06.2023.

¹⁵ Interview with the ERP team of the Ministry of Finance, conducted on 30.06.2023.

As the ERP 2022-2024 cycle was affected by the COVID-19 pandemic, some of the working meetings, training, consultations, and implementation of the EC advisory mission were held online and electronic communication was used to the maximum extent to stay in the established time frame and dynamics for its submission.

The process started with e-learning workshops as part of the EU funded multi-beneficiary project, and implemented by CEF. The first workshop was held in April, was focused on stakeholder mobilisation, and the second focused on capacity building on for reform measures development and their integration in the budgets held in May. The formal start of the preparation of the ERP 2022-2024 cycle started in June with a regional EU meeting where the new ERP Guidance Note (with new structural reforms areas) was presented to the National coordinator. The Economic and Financial Dialogue on ministerial level with the EU held on July 12, 2021. The Government of North Macedonia adopted the Joint Conclusions with the Policy Guidance's and recommendations the same month.

The process of preparation of the ERP is divided in several steps. The Minister of finance and Ministers and Directors of the relevant institutions firstly discuss the Joint Conclusions of the Economic and Financial Dialogue and draft proposals for structural reform measures and later the Government adopted an Action Plan for implementation of the policy recommendations adopted at the Economic and Financial Dialogue during June and July. The parliament does not provide input to the ERP, but has discussed the Joint conclusions from the Economic and financial dialogue shortly after their adoption.

Between August and October, the structural reforms and measures were developed. Relevant institutions submitted sector diagnostics with proposals for reform measures to the MoF. The ERP team at MoF provides day to day support to the line ministries and other involved institutions in this process.¹⁶ Moreover, two workshops to improve the quality of the proposed reform measures with relevant institutions are held by CEF. The EC's Advisory Missions are held with relevant institutions in view to improve structural measures. In parallel, relevant institutions report to the Ministry of Finance on the level of implementation of the activities of the Action Plan for implementation of the policy recommendations of the Economic and Financial Dialogue from last year.

The external consultations take place only after the Structural reform measures are discussed at CEF lead workshops and at EC mission. The consultations are held in December, in person and online. In parallel, the macroeconomic and fiscal framework is prepared so external stakeholders do not have the opportunity to comment this section of the ERP.

ERP is submitted to the Government, with Information and draft conclusions to accept the text of ERP 2022-2024 and oblige the Minister of Finance to submit it to the EC. The ERP was adopted at the Government session held on 28.01.2022.

¹⁶ Interview with the ERP team of the Ministry of Finance, 30.06.2023.

Kosovo

The ERP 2022-2024 notes that the Ministry of Finance, Labour and Transfers led the drafting process of ERP 2022- 2024 as the National Coordinator, in coordination with the Strategic Planning Office (SPO) in the Prime Minister's Office, and policy area coordinators from line ministries.¹⁷ No external stakeholders are listed among the institutions directly involved in the drafting process of ERP. Nevertheless, as it is elaborated below, the process included consultation of all drafts of ERP with European Commission for evaluation and comments.

Based on the instructions of the National Coordinator, on July 23, 2021, a high-level meeting was held for the launch of the ERP 2022-2024.¹⁸ In addition to the initial meeting, for the purpose of drafting ERP 2022-2024, the SPO has organized a number of activities which are summarized below:

The first proposals of structural reform priorities were drafted based on the criteria of the European Commission Guidelines and related instructions. Following this, workshops with Line Ministries were held to review the proposed measures in terms of the quality of presentation of objectives, activities, indicators, indicative cost and impact of the measure.

For purpose of costing measures for ERP 2022-2024 a workshop was held with CEF and Line Ministries on 19-20 October 2021. The first draft of the structural reform chapter was finalized in October 2021 and was sent to the EC for evaluation and comment.

For the purpose of the evaluation of the first draft of the Structural Reforms of the Kosovo's ERP 2022-2024 virtual meetings were held with the delegation of the European Commission and the Line Ministries on November 2021. In the framework of this mission, thematic meetings were held on certain challenges that have been identified by the EC Assessment or ERP 2022-2024.

Last but not least, as part of the public consultation process to discuss the draft ERP 2022-2024, the draft was sent for public consultation on the government platform from 22.12.2021 to 17.01.2022 (<http://konsultimet.rks-gov.net/viewConsult.php?ConsultationID=41299>).

Although there is information on the process by which authorities were involved in the preparation of the programme there is however no information available on their involvement in the implementation of the past policy guidance and commitments. ERP 2023-2025 includes a table that reports the progress on implementation of reform measures in ERP 2022-2024.

¹⁷ The Coordinators from line ministries included representatives from: Department of Economic and Public Policy and International Financial Cooperation at the Minister of Finance, Labour and Transfer; and the coordinators of relevant fields within the line ministries: Minister of Finance, Labour and Transfer, Ministry of Economy, Ministry of Industry, Entrepreneurship and Trade, Ministry of Agriculture, Forestry and Rural Development, Ministry of Education, Science, Technology and Innovation, Ministry of Internal Affairs, Ministry of Environment, Spatial Plan and Infrastructure, Ministry of Justice, and other supporting bodies.

¹⁸ The ERP 2022-2024. Available at: <https://mf.rks-gov.net/desk/inc/media/23D2D3B1-81C1-41FE-B6C0-2D5C739A6F69.pdf>

Serbia

To ensure effective preparation of the ERP in Serbia, a Government Inter-ministerial Working Group for the development and monitoring of the ERP (ERP WG) has been established. The formation of ERP WG f was based on a Conclusion of the Government, which appointed the Minister of Finance as the national coordinator and Head of WG. Originally established in February 2015¹⁹, the membership of the working group is renewed after each election cycle or significant changes in the Government. The membership of ERP WG in charge of 2022 – 2024 cycle was confirmed or renewed in April 2021.²⁰ The MoF takes charge of chairing and leading the ERP WG, actively coordinating the efforts of line ministries and other institutions, including the National Bank of Serbia. Their inputs and contributions are harmonized with the support of the Public Policies Secretariat (PPS). The ERP WG comprises over 100 members, known as ERP coordinators, from more than 25 national-level institutions, who serve as the primary contact points in their respective institutions for ERP related matters.²¹

The process in Serbia follows a similar pattern to that of other countries in the Western Balkans. It begins in June, right after the country receives the EC's Policy guidance for the preparation of its ERP. The MoF, with the assistance of PPS, arranges a meeting of the ERP WG. In this meeting, the updated guidance is presented, and next steps and deadlines are agreed. Throughout the summer, there is active intra-institutional dialogue and coordination, leading up to the submission of each institution's proposals for structural reforms. These proposals are typically submitted towards the end of August or the beginning of September.

Prior to the publication of the preliminary list of structural reforms for consultation with civil society and other stakeholders, the MoF engages in negotiations with each institution involved. Based on these negotiations, the MoF makes decisions regarding which reforms will be included in the final shortlist. This process typically takes place in September each year, while extensive drafting of the selected structural reforms, with the background, justification, their description, activities, indicators, and timetable takes place from October to mid-December. Document is officially adopted in January and submitted to EC until 31 January.²² ERP 2022 – 2024 was adopted by the Government on 20 January 2022. In this journey, Government institutions receive support from different actors. So far, OECD and CEF have been involved in building of the capacities of MoF, PPS and line ministries. Also, GIZ through its project dealing with public finance reform assists the Government in ERPs' preparation.

19 Based on the interview with the representative of the MoF. FAPI was sent to the MoF to obtain the official Decision on Establishment of the WG for ERP, as it is not published in the Official Gazette, or is available at legal data basis.

20 ERP 2022 – 2024, page 187, available at: <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-05/Serbia%20ERP%202022-2024.pdf>

21 Based on the interview with the representative of the MoF.

22 <https://rsjp.gov.rs/cir/vesti-cir/%D1%83%D1%81%D0%B2%D0%BE%D1%98%D0%B5%D0%BD-%D0%BF%D1%80%D0%BE%D0%B3%D1%80%D0%B0%D0%BC-%D0%B5%D0%BA%D0%BE%D0%BD%D0%BE%D0%B-%D1%81%D0%BA%D0%B8%D1%85-%D1%80%D0%B5%D1%84%D0%BE%D1%80%D0%BC%D0%B8-%D0%B5/>



Regional and local authorities in the preparation and implementation of the ERPs and country specific policy guidance – country overview

Albania

The ERPs of the Wb c does not mention any external stakeholders as directly engaged in the drafting process and there is no elaboration on the coordination process with local authorities and how their comments and suggestions have been reflected in the final draft of the program. According to the response received from the EPR National Coordinator for Albania,²³ the program is drafted in collaboration with focal points in the line ministry, rather than municipalities or other local-level institutions.

Bosnia and Herzegovina

The program is created by the Directorate for Economic Planning of Bosnia and Herzegovina with contributions of Coordinators for both entities, Republika Srpska and Federation of Bosnia and Herzegovina, and after that, it is adopted by the Council of Ministers.

After the Government of FBiH adopted the Economic Reform Program (ERP) of the Federation of BiH for the period from 2022 to 2024, it instructed its General Secretariat to deliver this document to the Directorate for Economic Planning of BiH, as the coordinating institution at the level of BiH which is in charge of drafting Program of Economic Reforms of BiH 2022-2024. The government also tasked the Federal Institute for Development Programming to establish within the responsible institutions a network of coordinators and their deputies responsible for the preparation of contributions to the Program of Economic Reforms 2023-2025.

As part of the process of developing the ERP RS 2022–2024, the Government of the Republic of Srpska at the 132nd session held on August 12, 2021, considered and adopted the Information on activities on the development of the Program of Economic Reforms of the Republic of Srpska for the period 2022–2024 and coordination of activities related to the preparation of the BiH ERP for the period 2022–2024. Furthermore, the Government of Republika Srpska tasked the coordinator from Republika Srpska to carry out the process of developing the BiH Economic Reforms Program 2022–2024 exclusively in such a way that Republika Srpska remains clearly visible in the process and document.

23 Information provided by the Ministry of Finance and Economy via FAPI on 20.06.2023

Montenegro

Municipalities participate in the public consultation process about the program, directly and through the Union of Municipalities. In the framework of the latest ERP, the Capital City of Podgorica also submitted written proposal to the Ministry. They wanted to add new reform measures like solving the ecological issues located on the territory of Podgorica, building or reconstructing facilities for few institutions, digitalization of administrative processes, etc.²⁴ Their suggestions were not approved because of legal obstacles and duplication with other initiatives of the EU in Montenegro. For the latest version of the Programme, Union of Municipalities of Montenegro recommended that the Program envisages the implementation of a measure related to the cancellation of the prior consent of competent state authorities to local regulations. This was not accepted because it should be considered in the context of the relation between the Government and local self-governments, and not in the ERP.

North Macedonia

North Macedonia has 8 planning regions which serve for statistical, economic and administrative purposes. The primary administrative division of Macedonia on level of municipalities with 83 local self-government units and the City of Skopje. The ERP of North Macedonia does not provide information on the role of planning regional and local authorities in the process of preparation and implementation of the ERP and the Joint conclusions with policy guidance. The municipalities are indirectly involved in the ERP process in the external consultations, as the MoF invites the Association of the units of local self – government of the Republic of North Macedonia among the others. A representative of the Association has submitted comments to the ERP 2022-2024. The Association points out the lack of gender sensitive indicators against the structural measures. The comment was accepted and their proposal will be taken into consideration for next ERP cycle. Non the less, their contribution is not substantial to any of the structural reforms.

Kosovo

The ERP of Kosovo does not provide information on the role of planning of local authorities in the process of preparation and implementation of the ERP and the Joint conclusions with policy guidance. Hence, local representatives are not formally included in the process of ERP preparation. More precisely, there is no other level of drafting the Program for Reforms in the Economy apart from the central level (line ministries), the list of coordinators of priority areas for ERP 2022-2024 and persons of others in line ministries.²⁵

²⁴ Economic Reform Programme for Montenegro 2023-2025, page 250-252, Government of Montenegro, January 2023

²⁵ Information received on 16.06.2023 by the OPM following FAPI request.

Serbia

Regional authorities (Autonomous Province of Vojvodina) and local self-governments in Serbia are not formally included in the process of ERP preparation. They are neither formally involved in the ERP WG nor invited to submit their proposals for structural reforms. However, according to ERP documents, the Standing Conference of Towns and Municipalities (SCTM), association representing towns, municipalities and town municipalities in Serbia, has been involved in the development of ERP during the consultation processes. On two occasions (for draft ERP 2018 – 2020 and draft ERP 2019 – 2021), representatives of the MoF presented the draft documents and structural reforms at Annual Assembly of SCTM where local self-government has the possibility to provide their comments and suggestions on already selected and drafted structural reforms.²⁶

In the case of ERP 2022 - 2024, the MoF invited the SCTM to share the draft document during consultation process with their members (local self-governments). Additionally, the draft document was made available on the SCTM website, providing a platform for a broader range of stakeholders to access it and offer comments or suggestions.²⁷ While the opportunity was provided for local authorities and other stakeholders to send their inputs, there is currently no evidence to suggest that local authorities took advantage of this opportunity to share their views on the document or the proposed structural reforms.²⁸

²⁶ Serbia ERP 2018 – 2020 (page 124) and Serbia ERP 2019 – 2021 (page 139), available at: <https://www.mfin.gov.rs/dokumenti2/program-ekonomskih-reformi-erp>

²⁷ <http://www.skgo.org/vesti/detaljno/2830/nacr-programa-ekonomskih-reformi-erp-2022-2024>

²⁸ Annex 3 External Contribution to the ERP 2022 – 2024 lists all comments and suggestions provided by the civil society and other relevant stakeholders. Local self-governments or SCTM as their representative were not listed as contributor.

Role of national Parliaments in the ERP process

The uptake of economic policy coordination both at EU and national level inevitably requires political ownership. The European Commission has already emphasised to the Member States, that their national parliaments should be duly involved in the European Semesters, in the preparation of the stability or convergence programmes and the national reform programmes in view to increase the transparency and ownership of, and accountability for, the decisions taken.²⁹ In similar vein, the Guidance note asks the accession countries to specify if the ERP is adopted by parliament,³⁰ if the programme was presented to the national Parliament and the outcome of the discussions.³¹

This section presents the role of the national Parliament in the ERP cycle. The section presents country by country practices on involving the Parliament in the preparation, discussions on the ERP and approval of the programme. Where relevant, the report takes note on phase(s) at which the national Parliament is consulted; the role and responsibility preparation of the National Parliament, the procedure deployed (ex. Deliberation and/or voting at Parliamentary committees and Plenary; Interinstitutional bodies like Committees, Council or other) and the outcomes of the discussion.

Section summary

Out of the six countries observed, only North Macedonia, Montenegro and Serbia have involved their National Parliament in the ERP cycle for the 2022-2024 programmes. Evidence suggests that parliamentary committees in Montenegro and Serbia had an opportunity to comment directly on the ERP drafts for their respective countries. In the case of the former, the ERP was discussed at a session of the Committee on Economy, Finance and Budget. Several consultation mechanisms have been deployed in the case of the former. The National Assembly of Republic of Serbia had the opportunity to comment on the preliminary structural reform as well as on the draft ERP. In previous years parliamentary committee's sessions are held depending on the interest and availability of MPs. In the case of North Macedonia, a joint session of three parliamentary committees namely the Committee for Economic Affairs, the Committee for Financing and Budget and the Committee for European Affairs, was held. At this session, the MPs discussed the CSRs from the Joint Economic and Financial Dialogue, thus being involved early in the process before the preparation of the ERP started. The Assembly of North Macedonia, however, was not consulted on the ERP.

²⁹ EP Research Service, *Role of National Parliament in the European Semester*.

³⁰ Page 7, EC Guidelines

³¹ Page 19, EC Guidelines

	National Parliaments in the ERP process	Relevant committees	Topic of discussion
Albania	Not involved in the processes of drafting and consultations	/	/
Bosnia and Herzegovina	No role in adopting the Program	/	/
Montenegro	Consultative role	Session of the Committee on Economy, Finance and Budget	Consultation on the draft text of the ERP
North Macedonia	Consultative role	Joint meeting of the Committee for Economic Affairs, the Committee for Financing and Budget and the Committee for European Affairs	Presentation of the Joint conclusions from the Economic and financial dialogue between the European Union and the Western Balkan and Turkey
Kosovo	Not envisaged to go through any procedures in the Parliament	/	/
Serbia	Consultative role	Committee on the Economy, Regional Development, Trade, Tourism and Energy, and the Committee on Finance, State Budget and Control of Public Spending	Committee receive list of preliminary structural reforms for their inputs, comments, and suggestions; The National Assembly receives a draft ERP for consultations' Depending on the availability of MPs, special committee sessions are organized to present the ERP and gather inputs from MPs

A common trait for all three countries is that the national Parliaments' role in the ERP process is informative and consultative in its nature as the ERPs are not voted and approved by the Plenary. The Governments of the WB countries are, in practice, not obliged to consult relevant parliamentary committees nor to follow their recommendations. Moreover, the Parliaments have not adopted official position or conclusions from the committees' sessions in neither of the three cases where the Parliament is involved in the ERP process., thus failed to send a strong message for the Government to follow up on the comments and recommendations by the MPs on the ERPs.

The other three of the WB Six have not directly involved their national comment in the ERP cycle for 2022-2024. There were no activities in Albania, Bosna and Hercegovina and Kosovo that would allow the MPs and parliamentary committees to be directly comment the programme or the CSR of the Joint economic and financial dialogue. Public consultation process has not been effective tool to initiate proactive participation of MPs. Be that online or in person, none of the external consultation processes has received comments from a parliamentary group or individual MPs in all WB countries.

Survey results

External stakeholders involved in the ERP consultations were asked if their institution participated at a Parliamentary session where the ERP of their country was discussed. Out of 18 responses, only one response has responded positive. According to the answer received, a respondent from Bosnia and Herzegovina had presented the main requests and initiatives of the business community at a parliamentary session where the ERP is discussed. No other source, however, could confirm that such session has taken place in the Parliament of Bosnia and Herzegovina. The rest of the respondents stated that such session has not taken place (7), and even more (10) were not certain if such activity has taken place.

Next, the stakeholders were asked on what role should the Parliament have in the ERP process. Out of 18 respondents, 12 consider that their national Parliament should hold public hearings, while 11 consider that relevant committee(s) should hold oversight discussion on the ERP. Less than a half of the respondents (8), consider the parliament should provide opinion on the ERP, while only 4 respondents consider the ERP should be formally approved in the Parliament. These results indicate that majority support the notion the national Parliaments should have a consultative and monitoring role on the ERPs, and significant number that it should give a formal opinion. Just a small fraction consider that the parliament should approve the ERPs. The survey results suggest that radical change in terms of giving the national Parliament a decisive role in the process is not needed. Nonetheless, the respondents consider that the Parliament should play a more important role than in the status quo and be included in the process of preparation and discussion of the ERPs of the WB countries.

National parliaments in the ERP process – country overview

Albania

The Parliament of Albania and Parliamentary Committees were not involved in the processes of drafting and consulting this document. This was also noted in the EC assessment, which emphasizes that there was no consultation with the Parliament regarding the ERP.³²

Bosnia and Herzegovina

The Parliamentary Assembly of Bosnia and Herzegovina has no role in adopting the Program.

³² Available at: https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-05/Albania%202022%20ERP%20assessment%20SWD_2022_120.pdf page. 49

Montenegro

When it comes to the role of the National Parliament, the ERP points out the lack of parliamentary support as problematic. The lack of the support is especially identified when it comes to implementing some of the reform measures like improving the management of companies in the majority ownership of the state.³³ It is said that the current parliamentary situation is unfavourable in order to provide full support for the possible amendment of legal regulations to improve the supervision of the work of companies in the majority ownership of the state, and the full application of objective criteria for the selection of members of the board of directors.³⁴ The parliamentary situation is unfavourable, because the Government that lost parliamentary support, works in full capacity since the end of August 2022.³⁵

The ERP was discussed by the Committee on Economy, Finance and Budget. Miloš Medenica, State Secretary in the Ministry of Finance and coordinator of the Working Group for the preparation of the Economic Reform Programme took part in one of the public hearings in December 2022. On this session, members of the Committee have heard from Medenica main information about the document, but have not voted in favour or against nor recommendations were given for the ERP since the intention was just to get familiar with the structure and basic information about the ERP.

After receiving all the proposals and suggestions during the consultation process, and based on the improvement of the text of ERP 2023, the document was finalised and submitted to the procedure for consideration and adoption at the session of the Government of Montenegro.³⁶

North Macedonia

The Assembly of North Macedonia does not have a direct involvement in the preparation of the ERP of North Macedonia. The ERP is not presented, discussed or approved at the plenary nor at relevant parliamentary committees. In 2022 however, on the initiative of the EU Delegation in North Macedonia, a joint meeting of the Committee for Economic Affairs, the Committee for Financing and Budget and the Committee for European Affairs was held where the Joint conclusions from the Economic and financial dialogue between the European Union and the Western Balkan and Turkey were presented shortly after their adoption.³⁷ The assembly committees' presidents assessed the initiative positively to be directly informed about the common conclusions. The session was open to other MPs and invited guests who actively participated in the meeting, offering platform to propose reform measure and criticize lack of reforms in education and social policy, addressing informal economy and energy dependency. The joint session of the parliamentary committees did not produce Conclusions from his session.³⁸ Thus, there is no official position or recommendations from the Assembly forwarded to the MoE regarding the Joint conclusions from the Economic and financial dialogue.

33 Economic Reform Programme for Montenegro 2023-2025, page 122, Government of Montenegro, January 2023

34 Economic Reform Programme for Montenegro 2023-2025, page 122, Government of Montenegro, January 2023

35 "Visoka produktivnost tehničke Vlade Crne Gore", Radio Slobodna Evropa, November 2022., available at <https://www.slobodnaevropa.org/a/abazovic-vlada-odluke-crna-gora/32155897.html>

36 Economic Reform Programme for Montenegro 2023-2025, page 157, Government of Montenegro, January 2023

37 <https://www.sobranie.mk/ns-newsarticle-prezentirani-zaednickite-zaklucoci-od-ekonomskiot-i-finansiskiot-dijalog-so-eu.nsp>

38 Interview with ERP team of the Ministry of Finance, 30.06.2023.

Kosovo

The ERP in Kosovo is only approved by the Government of Kosovo and submitted to the European Commission no later than January 31 of the following year. The same is not envisaged to go through any procedures in the Parliament.³⁹

Serbia

While the ERP 2022-2024⁴⁰ places emphasis on the involvement of the National Assembly of the Republic of Serbia (NSRS), it should be noted that there are currently no publicly available sources that provide additional support for this claim. However, during an interview with a representative from MoF, it was explained that the level of NSRS involvement depends on their interest and willingness to participate.

Each year, the NSRS, along with its relevant committees such as the Committee on the Economy, Regional Development, Trade, Tourism and Energy, and the Committee on Finance, State Budget and Control of Public Spending, receive the list of preliminary structural reforms for their inputs, comments, and suggestions. Additionally, the NSRS receives a draft ERP for consultations. Depending on the availability of MPs, special committee sessions are organized to present the ERP and gather inputs from the members of the aforementioned committees.

The reasons behind the comparatively weaker engagement of MPs in this process can be attributed to frequent snap elections in Serbia and the fact that the NSRS may have been dissolved or not yet constituted following an election. Nevertheless, it is important to note that the role of the NSRS and its committees is purely consultative. While MPs can provide their inputs and comments, they do not have voting power for the approval of the draft text. Taking this into account, formal engagement of NSRS and its committees should be strengthened. This could be done through establishing a more formalized framework that clearly defines the NSRS's role and responsibilities in the ERP process and thus provide a stronger foundation for their involvement. This could include formalizing their participation in key stages, such as the selection of priority structural reforms.

³⁹ Information provided by the Office of Prime Minister via FAPI on 16.06.2023.

⁴⁰ Serbia ERP 2022 – 2024, page 188 and 189, available at: <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-05/Serbia%20ERP%202022-2024.pdf>

External stakeholders' participation in the ERPs process

The guidance note by the EC notes the involvement of stakeholders such as the business community, social partners and civil society should be involved in the ERP process. Ideally these stakeholders should be involved throughout the process and be consulted on the analysis of obstacles to competitiveness and inclusive growth identified by the government, the reporting on the implementation of the jointly adopted policy guidance and the identification, prioritisation and formulation of key reforms.⁴¹ The EC guideline require the consultation process in the preparation of the programme to be elaborated, the main comments of the involved stakeholders and the extent to which they have been taken on board to be presented in the Annex.⁴²

In the similar vein as the role of the national Parliaments, the EC notes the involvement of stakeholders such as the business community, social partners and civil society in the ERP process pay a crucial role in create ownership and the broadest possible political support. Ideally, they should be involved throughout the process and be consulted on the analysis of obstacles to competitiveness and inclusive growth identified by the government, the reporting on the implementation of the jointly adopted policy guidance and the identification, prioritisation and formulation of key reforms.⁴³

This section of the report presents the consultations mechanisms for with non-state actors deployed country by county It takes note on the different mechanisms deployed for involvement of the social partners (employers' associations and trade unions), civil society and other stakeholders and other stakeholders. Moreover, it takes note on the duration of the consultation process(es), the profile and number of invited/participating non-state actors. In sub section "External stakeholders' contribution to the ERP", the main comments received, and the extent to which the comments have been accepted or rejected and the reasons behind are analysed.

Section summary

All countries from the WB have implemented some form of external consultations in the process of preparation of their ERP. The consultation mechanisms deployed across the region vary significantly though. Most common mode for gathering feedback on the ERP are the online public consultations. The ERP coordinator institution publishes the document(s) for comments for a limited period of time. The ERP coordinators publish parts of the whole documents on their website, electronic registers or other public consultation platforms. In the case of North Macedonia and Serbia, the public consultations are held

⁴¹ Page 2, EC Guidelines

⁴² Page 19, EC Guidelines

⁴³ Page 19, EC Guidelines

for the section 5 of the ERP, Structural reform measures, rather than the whole ERP which is the case for the other WB countries. The Albanian example, however, suggest that email notifications may be a necessity to attract relevant stakeholders to participate in the process.

Another commonly used mechanism are in-person events – such events have been organised in all WB countries but Albania. These events allow the ERP coordinator, in some cases other involved institutions, to discuss the ERP with external stakeholders, and an opportunity for external stakeholder to directly engage with representatives of the institutions responsible for preparation and implementation of the ERP. Moreover, in person events help raise awareness of the ERP process.

	Consultation mechanisms	Consultations dates and duration	Key contributions
Albania	Draft ERP published on the Ministry of Finance and Economy's website	22.12.2021, to 31.01.2022 (45 days)	No response (No invitations and/or e-mail notifications were sent;
	Draft ERP uploaded on the national electronic register for public notifications and consultations	22.12.2021, to 31.01.2022 (45 days)	Discussion forums or other forms of online meetings were initiated)
Bosnia and Herzegovina	Meetings with social partners held	n/a	External stakeholder's feedback is not published in the ERP's annex 3 as per EC guidelines.
	Conference organized by the Union of Employers of Republika Srpska	17.11.2021	
Montenegro	Meeting with stakeholders: On draft structural measures and draft ERP	12.09.2021 and 16.12.2021	Four institutions involved
	Public hearing: online consultations	9.12-29.12.2023 (20 days)	ERP provides list of comments and information on the ones accepted/declined
North Macedonia	Online consultations: Structural reform measures published on MoF (in addition, email invitations sent to selected stakeholders)	10.12-24.12.2021 (14 days)	ERP provides list of comments and information on the ones accepted/declined
	Workshop organised by CEF in Skopje for stakeholder participation	16.12.2021	
	Chapter 5 Structural reform measures submitted to the Economic and Social Council for discussion	n/a	
Kosovo	Draft ERP published on public consultation platform	22.12.2021 -17.01.2022 (26 days)	Five institutions involved
	Draft ERP has been sent to several institutions separately, for comments	n/a	ERP provides list of comments and information on the ones accepted/declined
Serbia	NCEU WG on ERP is consulted on preliminary list of structural reforms, on draft ERP, holds ad hoc meetings with the MoF, PPS and line ministries are organised; organise joint awareness raising and media events with Government ERP WG	December 2021; on needs basis (final consultations on 23.12.2021); n/a	Four institutions involved
	List of structural reforms and Draft ERP for public consultations through the the MoF and PPS websites	October 2021 and December 2021 (14 days)	ERP provides list of comments and information on the ones accepted/declined

Lastly, there are somewhat institutionalised mechanisms for consultations with external stakeholders across the region. Two examples in this regard have been identified. In North Macedonia, the review of the ERP is part of the Economic and Social Council in its annual programme. The ERP is sent to this advisory body and it provide platform for consultations on the ERP on high political level. Another notable example is the NCEU MS WG on ERP in Serbia. This platform allows the civil society to be part of a permanent structure for involvement in preparation and the monitoring of the ERP implementation, and higher overall visibility of the whole process.

In terms of the timing of the external consultations there are several observations worth pointing out. The online public consultations are generally held in December and January. The length of consultation differs from 15 days as the minimum prescribed time by the EC guidelines to over a month in the case of Albania. During these sessions the ERP or the structural reforms, as in the case of North Macedonia and Montenegro, are presented and open for comments to the external stakeholders. Even though labelled as “drafts”, these documents have already been filtered within the Government and to a reasonable extend agreed, and budgeted by the relevant institutions. The consultations are held at the end of the ERP process; thus, one could expect Significant changes in the ERP, including the section “Structural reforms” is hardly possible at this phase. Changes of existing and introduction of new measures were not observed for the ERP cycle 2022-2024. Serbia and Montenegro are the only countries that involve external stakeholders earlier in the process. This research does not provide evidence if and to what extend this approach allows for the recommendations of external stakeholders to be put on board in the ERP for these two countries.

Survey results

The questionnaire had two questions on the consultations with external stakeholders. The first question asked the respondents to rank the importance of groups of stakeholders in the consultation process. Five stakeholders were pointed out, in particular the ones that are currently involved like the Parliament, social partners (employers’ associations and trade unions), Chambers of commerce, Civil society and International organisations. The majority respondents consider the involvement of all five groups of stakeholders in the process for the preparation of the ERP to be very important, of which 13 consider the CSOs and social partners to “very important” stakeholder, 13 the Parliament, 12 the chambers of commerce and 11 international organisations. No response has answered that any of the stakeholders is “not important” in the preparation of the ERP. This finding points out to the need for wide consultations that will involve all relevant stakeholders that are currently invited in the consultations.

The second was an open-end question where we asked the respondents how can the consultation process for the preparation of the ERP of their country be improved. The 15 of the 18 respondents gave one or more proposals and their responses were thematically analysed bellow.

A deficiency in the consultation process that was mostly referred to was that the external consultation process is held late in the process. The external stakeholders consider that they should be included early in the process, rather than at the end of cycle which is currently a common practice. One respondent noted that *"other stakeholders could be involved as of the beginning, before line ministries provide preliminary list of structural reforms to the Ministry of Finance"*.

Another recommendation that was proposed is that the responsible ERP institution(s) should make efforts to clarify the role of the ERP in policy making as well as the role of the external stakeholders in the process. In particular, how the ERP cycle interacts with the other EU relevant processes, like the accession process and the SAA should be clarified. Moreover, institution(s) should explain how the ERP is relevant for the stakeholders and how they can contribute to it. These efforts would increase the understanding of the importance of the ERP and may increase participation in the consultation processes. Moreover, it could spur new ideas for cooperation between state and non-state actors in the implementation and monitoring of the ERP.

In terms of the modalities of the consultation mechanisms, respondents point out to the need for public consultations with the business and civil society as well as the general public. Moreover, respondents point out the timing of the consultation as an issue. The length of the consultation process is considered short and it should be longer than two weeks. One respondent points out *"the government should inform on the process well in advance to give them sufficient time to prepare and engage in the process"*. Other issues with the timing are the period in which the consultations are held, as a respondent points out *"not scheduling public consultations during holiday periods, especially around the end of December"*. A respondent also recommend that the MoFs should consider increasing the base of increase the base of invited stakeholders, including trough mapping of relevant CSOs. All these efforts would increase transparency and participation in the process. The consultation would be open to all, rather than just a small selected group of external stakeholders.

Lastly, the respondents suggest that there should be better feedback on their comments and recommendations. Greater transparency in the decision making is needed and proper elaboration and communication on why their recommendations have not been accepted.

Consultation process and deployed mechanisms – country overview

Albania

The Ministry of Finance and Economy, in its capacity as the national ERP Coordinator, made minimal efforts to consult the draft ERP 2022 -2024 with non-governmental stakeholders and other actors. The draft was published for public consultation on the Ministry of Finance and Economy's website and was uploaded to the national electronic register for public notifications and consultations from December 22, 2021, to January 31, 2022. At the end of the public consultation process, no comments, suggestions, or feedback were received for the draft ERP 2022-2024 as a result of either of the aforementioned public consultation processes. The institutions "justified" themselves by including a screenshot of the public consultation register page as evidence that they had fulfilled their obligations, but relevant stakeholders did not demonstrate an interest in providing their comments on this draft.

In fact, no pro-active public consultation took place. The authorities failed to invite stakeholders to give feedback and complete a successful consultation process of ERP 2022 -2024. In previous years, e-mail notifications were sent to different stakeholders to get their opinion and written comments on the document. Furthermore, the institutions did not engage in organizing any discussion forums or other forms of online meetings to consult and discuss the prepared draft with the relevant parties of interest.

Bosnia and Herzegovina

During the process of diagnosing, analysing the situation and defining the draft reforms, consultations were held and proposals of social partners of the Government of Republika Srpska, ie the Union of Employers of Republika Srpska, the Chamber of Commerce of Republika Srpska and the Federation of Trade Unions of Republika Srpska were submitted. 2022–2024. During the period of preparation of the PER RS 2022-2024 Proposal, meetings were held with social partners, and a conference entitled: "Challenges and Future of Business" was held on November 17, 2021, organized by the Union of Employers of Republika Srpska.

Montenegro

In the preparation of ERP for the period 2023-2025 a process of broad consultations with all interested parties has taken place. In the process of preparing the ERP, the consultation process was divided in two phases⁴⁴

The process of drafting the new Economic Reform Programme was characterised by the involvement of representatives of the general public already in the initial phase of preparation. On September 12, a meeting was attended by representatives of UNICEF, Statistical Office of Montenegro (Monstat), the Union of Free Trade Unions of Montenegro, the Secretariat of the Competitiveness Council, the municipalities of Bar, Pljevlja, Andrijevica, Berane, Budva, Tuzi, Bijelo Polje, Petnjica, the Capital City Podgorica, Zeta, the Chamber

⁴⁴ Economic Reform Programme for Montenegro 2023-2025, page 157, Government of Montenegro, January 2023

of Economy of Montenegro, Montenegrin Employers Federation, the Institute for Strategic Studies and Prognoses, the University of Donja Gorica, UNDP, the Delegation of the European Union in Montenegro, the Parliament of Montenegro and others. Consultations continued in December, with the aim of discussing the first draft of the entire document.⁴⁵ In this regard, a public hearing took place in the period from December 9 to 29, 2022.⁴⁶ This session focuses on the on the results achieved in the last programme and discussion on the plans for the priorities of the next one.

Second phase of the consultation process had to do with the discussion as part of the public hearing concerning the Draft ERP, which took place on December 16, 2022. It was attended by representatives of the Union of Trade Unions of Montenegro, the Union of Free Trade Unions, the EU Delegation in Montenegro, the Chamber of Economy of Montenegro, the Union of Employers, the Statistical Office of Montenegro, as well as the municipalities of Bijelo Polje, the Capital City of Podgorica, the Old Royal Capital Cetinje, as well as relevant ministries in the Government of Montenegro and others.

During the discussion, certain proposals related to the improvement and creation of new policies were announced.⁴⁷

Written proposals for improving the text of the ERP draft were submitted by the Women's Rights Center, the Union of Free Trade Unions of Montenegro and the Capital City of Podgorica. Also, the document was considered by the Committee on Economy, Finance and Budget. After receiving all the proposals and suggestions during the consultation process, and based on the improvement of the text of PER 2023, the document was finalised and submitted to the procedure for consideration and adoption at the 37th session of the Government of Montenegro.⁴⁸

North Macedonia

The external consultations for the ERP 2022-2024 were held only after the Structural reform measures are well developed by the Ministry of finance and the relevant institutions, filtered and improved with support from CEF experts and the EC missions. An important note is that North Macedonia puts only Chapter 5 of the EPR on public consultations, rather than the full programme. The online consultations are held in December on the MoF website and are open for 15 days, the minimum prescribed period by the EC Guidance Note. In parallel, representatives from the Ministry of finance holds an in-person session with invited stakeholders at a Workshop organised by CEF in Skopje. Chapter 5 is also submitted for discussion on the Economic and Social Council, an advisory Government body,⁴⁹ in accordance with its's Annual Work Programme. The comments and suggestions received are added in Annex 3 of the ERP.

The stakeholders invited to the external consultations comes from a contact list from the Delegation of the European Union in North Macedonia provided to the Ministry of Finance.⁵⁰ The list counts total of 40 individuals

45 Economic Reform Programme for Montenegro 2023-2025, page 157, Government of Montenegro, January 2023

46 Economic Reform Programme for Montenegro 2023-2025, page 157, Government of Montenegro, January 2023

47 Economic Reform Programme for Montenegro 2023-2025, page 157, Government of Montenegro, January 2023

48 Economic Reform Programme for Montenegro 2023-2025, page 157, Government of Montenegro, January 2023

49 <https://ness.mk/about/>

50 Information provided by Ministry of Finance, request for access to public information No. 03-7509/1

from 25 institutions. Majority of the invitees are chambers of commerce (8), social partners 4 of which employers association 1 and 3 trade unions, CSOs 5, 3 international organisation, 2 Universities and 1 institute.⁵¹

Non the less, the MoF is changing the approach in the external consultations process for the upcoming ERP 2024-2026. Considering the significance of involvement of the external stakeholders earlier in the process of the preparation of the ERP, the external consultations have been moved at beginning of the policy cycle.⁵² A two-day workshop will organise in early July where relevant ministries and other stakeholder will jointly discuss reform measures for the ERP 2024-2026.⁵³ This may bring a positive change in the process as external actors are involved early in the process. This approach may provide them the opportunity to participate in sector diagnostics and the ideation of structural measures rather than to comment on already agreed structural reforms.

Kosovo

According to the Government Decision nr. 14/19, representatives of CSOs, private sector and other partners should be invited to contribute in selection of priorities of structural reform.⁵⁴ The Government of Kosovo has deployed two main mechanisms for consultations *with non-state actors* to discuss the draft ERP 2022-2024.⁵⁵ The main mechanisms via which the public is consulted is by publication of the draft ERP 2022-2024 on the public consultation platform from 22.12.2021 until 17.01.2022⁵⁶. Despite the established practice, the contribution/inputs provided by CSOs and other stakeholders as well as feedback for the contributions/comments received is not published as a separate document in the platform. A table including external contribution however is included in the ERP 2022-2024 document as an Annex.⁵⁷ The assessment of the table suggests that a relatively low number of none-state stakeholders (five) have provided comments/contribution; more precisely, Kosovo Women Network (KWN), UN Woman, UNDP, GIZ and UNICEF. Yet their level of involvement is substantial. A total of 68 comments have been provided, majority of them being from KWN. Out of 68 comments, 41 were rejected, 25 accepted and 2 partially accepted. The table is comprehensive and includes a column identifying remark area section, the stakeholder contributing, the comment provided, the status of the comment (whether it is accepted, partly accepted or rejected) and justification is provided for rejection of each comment.

In addition, the draft has been sent to several institutions separately, including development partners (international organizations operating in Kosovo and diplomatic missions) civil society organizations (including Civikos platform)⁵⁸ and Economic Chambers, for comments.⁵⁹ Meetings with the abovementioned stakeholders did not take place due to the Coronavirus restrictions in place during the year 2021, when the ERP 2022-2024 was drafted.⁶⁰

51 Information provided by Ministry of Finance, request for access to public information No. 03-7509/1

52 Information provided by Ministry of Finance, request for access to public information No. 03-7509/1

53 <https://www.cef-see.org/23-e2spaicnm-1142>

54 Accessed via FAPI questions on 16.06.2023.

55 Information provided by the Office of Prime Minister via FAPI on 16.06.2023.

56 <http://konsultimet.rks-gov.net/viewConsult.php?ConsultationID=41299>

57 Page 175, available at: <https://mf.rks-gov.net/desk/inc/media/23D2D3B1-81C1-41FE-B6C0-2D5C739A6F69.pdf>

58 Civikos has a membership of 290 civil society organizations

59 Information provided by the Office of Prime Minister via FAPI on 16.06.2023.

60 Ibid.

Also, during their mission (organized virtually) in November 2021, the EC mission met with various civil society organizations and gathered inputs from them, which is another channel via which the OPM received additional comments on ERP.

Serbia

As of the beginning of the ERP process in Serbia (2015), the Government and especially MoF were open for cooperation and consultation with civil society and relevant stakeholders. Civil society was, through the National Convention on EU (NCEU), involved in the first ERP development (ERP 2016 – 2018).⁶¹ Aiming to establish more effective dialogue and systematic involvement of civil society in development processes around ERP, in 2017 the Platform for monitoring the implementation of ERP 2018 – 2020 was signed. Signatories of this platform were the Ministry of Finance, the Ministry of Labour Employment, Veteran and Social Affairs, Team for Social Inclusion and Poverty Reduction from the side of the Government and representatives of NCEU (European movement in Serbia, European Policy Centre – CEP, NALED and Foundation Centre for Democracy).⁶²

The Platform was later transformed in regular NCEU WG – Multi-Sector WG on ERP, which enabled permanent civil society structure for involvement in development of and for monitoring the implementation of ERP in Serbia.⁶³ Every year, NCEU MS WG on ERP is involved in consultation on preliminary list of structural reforms, as well as on draft ERP, usually in December. In addition, ad hoc meetings with the MoF, PPS and line ministries are organised on the needs basis. NCEU MS WG on ERP and the Government WG for ERP organise joint awareness raising and media events, aiming to promote the importance of this document for the citizens.

In addition to consultations through formalised civil society structures, all civil society organisations, academia, business associations and other relevant stakeholders can participate in public consultation process on ERP: the MoF, usually in October, publishes the list of preliminary structural reforms and invites all interested stakeholders to submit their comments and suggestions via e-mail. The preliminary list of structural reforms is compiled based on the proposals of the line ministries and it usually entails around 30 proposed structural reforms. Also, when the first draft of ERP is prepared (December each year), the MoF organises new round of consultations (online, via e-mail) where additional comments and suggestions from broader group of stakeholders is required. As of 2021, and based on the Law on Planning System, Government portal for e-Consultation was launched, which provided additional platform for involvement of external stakeholders in ERP development.

Regarding the ERP 2022-2024, the consultations were conducted in the usual manner. The preliminary list of structural reforms was made accessible to the public through the websites of the MoF and PPS in late October 2021 and lasted for two weeks.⁶⁴ The Draft ERP 2022-2024 was released for public input and comments in December 2021 through various channels, including the websites of the MoF and PPS, as well as the e-Consultation portal. This availability lasted for a period of two weeks, providing stakeholders with an opportunity to participate. In addition to the public, the SCTM, the Serbian Chamber of Commerce and Industry (SCCI), and other relevant stakeholders are also engaged in the consultation process. Furthermore,

⁶¹ <https://publicpolicy.rs/arhiva/1242/program-ekonomskih-reformi-predstavljen-nacionalnom-konventu-o-evropskoj-uniji?lang=rs>

⁶² <https://cep.org.rs/en/partnerships/platform-for-monitoring-the-implementation-of-the-erp-and-esrp/>

⁶³ <https://eukonvent.org/medjusektorske-radne-grupe/program-ekonomskih-reformi/>

⁶⁴ [Serbia ERP 2022 – 2024, page 188, available at: https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-05/Serbia%20ERP%202022-2024.pdf](https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-05/Serbia%20ERP%202022-2024.pdf)

the draft ERP is shared with the NSRS for their review and consideration. Final consultations, organised with the members of the NCEU MS WG on ERP, were held on 23 December 2021.⁶⁵

Despite the establishment of various mechanisms to involve non-governmental actors and engage civil society in Serbia, there remains a notable delay in the involvement of external stakeholders in the preparation of the ERP. The MoF has demonstrated a strong commitment to dialogue and has made significant efforts in this regard. However, civil society consultations typically occur after the creation of the preliminary list of structural reforms, allowing limited opportunities to influence the inclusion of new priorities.

To address this issue, the civil society in Serbia, represented by the NCEU MS WG on ERP, has been advocating for earlier engagement of civil society organizations (CSOs) in the process. They propose that CSOs should be involved immediately after the issuance of the EC's Policy guidance for ERP preparation, marking the initiation of the national process. By facilitating earlier engagement, CSOs can have a more meaningful impact on shaping the priorities of the ERP and ensuring a more inclusive and representative approach to the reform agenda.

External stakeholders' contribution to the ERP – country overview

Albania

The draft of the ERP 2022 -2024 was published on the website of the Ministry of Finance and Economy and national electronic register for public notifications and consultations. However, no external contributions were received regarding this draft. No non-public stakeholders submitted any comments, and the section on "External contribution" of the document submitted to the European Commission was empty.

Bosnia and Herzegovina

External stakeholder's feedback is not published in the ERP's annex 3 as per EC guidelines. The Directorate has not yet responded to the information enquiry.

Montenegro

Written proposal for the PER 2022-2024 were submitted by the Chamber of Commerce of Montenegro, the Union of Free Trade Unions of Montenegro, the Union of Municipalities of Montenegro, UNICEF and the Association of Youth with Disabilities of Montenegro.⁶⁶

The Chamber of Commerce of Montenegro recommended the inclusion of the Chamber as an association which represents the interests of all economic companies in Montenegro in the process of drafting all strategic documents. This proposal was accepted.

⁶⁵ <https://eukonvent.org/nacrt-programa-ekonomskih-reformi-2022-2024-pred-nacionalnim-konventom/>

⁶⁶ Economic Reform Programme for Montenegro 2022-2024, pages 241-257, Government of Montenegro, January 2022.

Proposals of the Union of Free Trade Unions of Montenegro were regarding increase of the minimum wage from 250 to 315 euros in order to reduce the risk of poverty of the most vulnerable and improve the economic position of employees in Montenegro. Moreover, one of proposal was for creation of new policies that will result in solving housing issue. The programme includes initiative of the Union and Montenegro Fund for Solidarity Housing Construction as a platform for the construction of social housing that would be offered to citizens for rent at affordable prices, and the rent funds would be used for maintenance of existing and construction of new housing units that would be owned by the state. Some of the proposals were regarding to legal employment, the value of the salary coefficient, the VAT rate, especially on electricity bills, tax administration which will be able to perform efficient and regular collection of taxes and contributions, as well as increasing the profit tax for profits that exceed a certain amount. It is needed to encourage the development of domestic farmers, reduce excise duties on fuel and oil derivatives, introduce a tax for legal entities and entrepreneurs on financial transaction that exceed a certain limit, further reforms of the pension system, ensure rational spending of budget funds and abolish the privilege of public officials to receive salary compensation from the budget for one or two years, if they have that much left until retirement. With the implementation of the „Europe Now“ Program, 70% of suggestions have been accepted.

The Union of Municipalities of Montenegro recommended that the Program envisages the implementation of a measure related to the cancellation of the prior consent of competent state authorities to local regulations. This was not accepted because it should be considered in the context of the relation between the Government and local self-governments, and not in the ERP.

Proposal of UNICEF was regarding reform of the social and child protection system based on UNICEF's support for the evaluation of the social protection system and the road map. Second one is development of a comprehensive and multi-year education reform plan that includes pre-school, primary and secondary education. The first one was largely accepted and the second one was accepted in full.

The Association of Youth with Disabilities of Montenegro pointed out that the reform of the social protection system is impossible without an adequate Deinstitutionalisation Strategy and the adoption of the new Law on Social and Child Protection. Moreover, it is needed to increase employment, especially employment of women and young people and fighting the problem of long-term unemployment and supplementing existing activities with grant schemes for the employment of persons with disabilities, as a regular annual measure, open through the year, and not just once a year. Both of these suggestions were not accepted.

North Macedonia

The Ministry of Finance has made public all the comments and suggestions received from the external consultations in Annex 3. The comments are organised as per structural reform and measure. Out of all 23 institutions invited to participate in the external consultations, only 4 institutions have sent comments and suggestions. Majority of the comments come from international organisation (the World Bank office in North Macedonia), and 2 think tanks (Finance Think and Center for Research and Policy Making and the organisation of self-government units.

The comments from external stakeholders go in three general directions – enriching sector diagnostics in terms of adding new indicators or corrections in the date on the existing ones, and new aspects that need to be analysed; widening the scope of proposed measures or clarifications; and proposals for new monitoring indicators. Most of the comments are accepted by the Ministry of Finance, be that because the proposal is already incorporated or will be taken on board for the next ERP cycle. Rejected comments are related mainly to revisions of structural measures or indicators measuring their success. The ERP provides clear elaboration on the reasons why the measures have been accepted or rejected.

Kosovo

During the public consultation process via the Consultation Platform, comments were received from 5 external stakeholders more precisely, Kosovo Women Network (KWN), UN Woman, UNDP, GIZ and UNICEF.⁶⁷ Out of 68 comments received, 23 comments are of general nature or related to joint conclusions and macro-fiscal framework, whereas the rest relate to reform measures (with exception of reform measure 6, 7, 8, and 13). All the rejected comments or partially accepted ones have been followed with justification or reasoning. A summary on the nature and treatment of comments is provided below.

The comments provided by KWN in general concerned the gender perspective. More precisely, it was advised that implementation of joint conclusions and certain strategies expected to be drafted, should be informed by gender impact analysis. Also, disaggregation and presentation of certain indicators by gender as well as drafting of ex-post gender impact assessments was suggested. The feedback provided by OPM explained that some data are not disaggregated by gender due to unavailability of data hence are envisaged to be considered in future ERP cycles, upon availability of the data. Comments related to the importance of ex-post gender impact assessment were rejected for not falling within the scope of the ERP and not being required by the approved Joint Conclusions in July 2021.

Comments suggesting more information should be provided were to a large extent accepted and reflected in ERP. However, those related to inclusion of references beyond SDG such as OECD Economic Diagnosis Tools for Identifying Key Constraints to Competitiveness, Agenda 2030 were rejected on basis of limited space in ERP to reflect additional references. Some comments were rejected on basis of tight deadline and insufficient time to address them, however attempts to reflect them in the next ERP were promised.

Comments related to Joint Conclusions were rejected because the formulation/wording of the JC is provided by the European Commission and therefore is not subject to changes. However, it was noted that EC will be informed about these comments for future references. Some comments were refused for not falling within the scope of the ERP.

Some proposed activities were rejected given they have already begun or are envisaged to be reflected in the next ERP. As far as reform measures are concerned, vast majority of comments were rejected on basis of EC guidelines restrictions of having a maximum of 3 potential risks; responsible institution not foreseeing any

⁶⁷ Annex on External Contribution to the ERP 2022-2024. Page 175-191. Available at: [1619B453-0328-4C3D-889F-CF262574AA11.pdf](https://rks.gov.net/1619B453-0328-4C3D-889F-CF262574AA11.pdf) (rks-gov.net)

measures that year, etc. Another reason for rejecting comments relates to limited space on the ERP document set by EC Guideline which does not allow exceeding certain number of pages.

GIZ noted cases when support provided by them is not acknowledged in the ERP document and they were addressed or in cases when acknowledged, it was pointed out where exactly they are already mentioned. There were also few comments related to budgeting of certain activities which were properly addressed by the relevant institutions.

Serbia

Inputs and comments provided by civil society and other external stakeholders are presented in the form of table in Annex 3: External Contribution to the ERP 2022 – 2024. Table lists area to which specific comment refers to, names the person/organisation which submitted the comment, describes the comment, explains if it was accepted and provides justification to decision made. In addition, the table sorts the inputs on those received electronically (16) and those given during the public consultation event organised with NCEU MS WG on ERP (23). Only four organisations beside NCEU MS WG on ERP members, provided their inputs/comments during the process of consultations (UNICEF, MODS, SCCI and Association of Citizens "Levica").

Table provides five types of comments status: accepted, not accepted, already realised, taken into consideration and question/clarification. The majority of 39 comments received (20 of them) falls under the category "taken into consideration", even though sometimes justification does not provide clear reasoning and explanation on what is meant under this category. Out of remaining 19 comments, six was determined as questions/clarifications, while for the four justification was provided that these have already been realised. Only four comments were accepted, with five explicitly non accepted inputs.

Comments submitted by the civil society and other actors relate to different parts of the documents. Even though there are several inputs which target macro fiscal framework (all of them rejected), vast majority was provided on different structural reforms, mainly on topics of social protection and inclusion, education and green transition.

In addition, addendum to the Annex 3 was also prepared which includes 63 proposals from one organisation for introduction of new activities/measures under specific structural reforms. To all of these additional proposals, category "taken into consideration for next ERP cycle" was allocated.

Despite the fact that document emphasis that the NSRS and SCTM were invited to submit their comments, there is not data on the inputs provided by these institutions and/or local-self-governments, as the members of SCTM.

EC assessments on the ERP consultation process

→ Section summary

The EC assessments on the compliance with the programme requirements in terms of Institutional arrangements and stakeholder involvement, in general provides a descriptive overview of the process of preparation and adoption of the ERPs and the external consultation mechanisms deployed. In some cases, it points out to positive practices, like good interinstitutional cooperation like in the case of North Macedonia or the NCEU MS WG on ERP in Serbia as platform for external stakeholders' participation in the process. However, the EC does not provide a detailed analysis on the particularities of the process, and (lack) of interest and participation in external stakeholders for most of the countries (Montenegro, North Macedonia, Serbia, Kosovo).

The EC critiques on the (lack of) consultation processes when these processes fail to attract any interest at all. The cases of Albania and Bosna and Hercegovina are particular example on this. The EC acknowledge the non-adoption of the Action Plan for the DEP and not holding public consultation. the EC has criticised the Albanian Government for not failing to make efforts to attract consultation and even recommended review on where the process failed, in Bosnia and Hercegovina.

→ EC assessments – country overview

Albania

European Commission Assessment of EPR 2022 -2024, at the section " Compliance with programme requirements" noted that this document does not meet the requirements of the program in terms of its consultation with stakeholders.⁶⁸ It emphasises that consultation with the Parliament or regional and local authorities did not happen, and there were no proactive outreach actions to seek the opinions and feedback from different stakeholders. This means that no pro-active public consultation took place and the authorities failed to complete a successful consultation process. Furthermore, EC Assessment suggests that the ERP coordination structure should examine what happened and revise the mechanism for consulting with stakeholders to avoid a passive consultation process.

The lack of ERP 2022-2024 consultation was also noted in the European Commission report for Albania 2022. This document noted that the introduction of an online consultation platform as the government's

⁶⁸ European Commission Assessment of EPR 2022 -2024 https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-05/Albania%202022%20ERP%20assessment%20SWD_2022_120.pdf page 49

main channel to consult the public on draft legislation and strategies has actually reduced effective consultation when the public does not use it, which was the case for the ERP 2022-2024.⁶⁹ Furthermore, in the report of the European Commission for the year 2022, it is stated that Albania remains in need of effective stakeholder consultation processes as well as of strengthening its inter-institutional coordination mechanism for comprehensive strategic policy planning and its capacities to ensure the efficient implementation of reforms.

Bosnia and Herzegovina

The 2022 report⁷⁰ states that the economic reform programme (ERP) was submitted with a nearly two-month delay on 24 March 2022 and suffered from a lack of internal consistency and a fragmented policy approach. This strongly impeded the Commission's assessment of the authorities' projections and policy plans to address the significant economic challenges the country is facing. It is also said that country-wide economic governance stalled in part due to the refusal of political parties based in the Republika Srpska entity to participate in decision-making at the state level. This also affected the preparation of the ERP 2022-2024. Including stakeholders was not mentioned in the report.

In the Commission's Overview and Country Assessments of Economic Reform Programmes of Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia, Türkiye and Kosovo⁷¹ it is stated that the program's quality and late submission testified to ongoing major flaws in administrative coordination and policy formulation. The paper was insufficiently thorough and internally coherent, and it lacked an overall strategic direction. Because certain contributions were made very late, there was insufficient time to complete the ERP.

Montenegro

According to the European Commission, one of the main problems in improving the regulatory environment (one of three structural areas for improving the competitiveness of the economy) is insufficient communication and information exchange between the state and local authorities, and between the local authorities themselves. The limited participation of municipalities in the drafting and implementation of the state laws and economic policy strategies is another concern that needs to be addressed as soon as possible, possibly in the Competitiveness Council. Moreover, structured dialogue between authorities and the business world continued but the level of activity decreased due to lack of support and political uncertainty.⁷²

69 Commission staff working document, Albania 2022 Report <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Albania%20Report%202022.pdf> page 56

70 Bosnia and Herzegovina Report 2022 https://neighbourhood-enlargement.ec.europa.eu/bosnia-and-herzegovina-report-2022_en

71 2023 Economic Reform Programmes of Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia, Türkiye and Kosovo*, The Commission's Overview and Country Assessments, May 2023 https://economy-finance.ec.europa.eu/publications/2023-economic-reform-programmes-albania-bosnia-and-herzegovina-montenegro-north-macedonia-serbia_en

72 2023 Economic Reform Programmes of Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia, Türkiye and Kosovo*, The Commission's Overview and Country Assessments, May 2023 https://economy-finance.ec.europa.eu/system/files/2023-05/ip252_en.pdf

Continuous coordination of action between different public institutions, businesses and other civil society actors, and a structured dialogue involving both central and local authorities are key for the successful and timely implementation of any measures.

North Macedonia

European Commission take on neutral fact-based reporting rather than a critical assessment on the external consultation process for North Macedonia's ERP 2022-2024. The EC positively assesses the process of preparation of the ERP in terms of inter-institutional coordination. The coordination process is praised for working well and good attendance at technical meetings. Non the less, the assessment does not take note that North Macedonia did not report on the involvement of the National Parliament in the preparation of the ERP. The EC could put to the Government attention of the EU delegation efforts to facilitate the Parliament involvement in the process and suggest the Ministry to consult the parliament more substantially. A more substantial assessment would point out that the lack of diverse voices in the comments and recommendations.

The annual country report on the other hand does not turn on these matters at all. The report rather focuses on, the analysis provided in the report, the structural and public financial management reforms and level of implementation of country-specific policy guidance. The EC only notes that the country has submitted the ERP in timely manner.

Kosovo

The EC Country Report of Kosovo for 2022 notes that the 2022-2024 Economic Reform Programme (ERP) was submitted on time yet points out the existing challenges in coordination between line Ministries. Moreover, it considers that "coordination, planning and monitoring of donor assistance, as well as project preparation, needs to be further strengthened for Kosovo to benefit from opportunities under the Instrument for pre-Accession and the EU Economic and Investment Plan."⁷³ It is assessed that although the structural reforms represent the government plan to boost economic recovery in the medium-term, "the implementation of the structural measures has often been delayed and improvements have not materialized. Similarly, further efforts are needed to improve macro-fiscal forecasts underpinning the budget and the linkage between the macro-fiscal framework and the structural reform planning".⁷⁴

The report however does not assess or reflect on the consultation and participation of other state and non-state actors (CSOs, social partners, academia) in the preparation of the Economic Reform Programme 2022-2024 of Kosovo. More precisely, no critique or praise related to external consultations non-state stakeholders is pointed out.

⁷³ EC Kosovo 2022 Report. Page 10. Available at: <https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/Kosovo%20Report%202022.pdf>

⁷⁴ Ibid. Page 98.

Serbia

In the EC's Assessment of Serbia ERP 2022 – 2024, the analysis of the participation of various state and non-state actors in the development of the ERP is presented in Annex D: Compliance with programme requirements. The section on Inter-ministerial coordination briefly outlines the process itself, which is led by the MoF through the Government WG for ERP (as discussed above in section *“Roles and Responsibilities of national institution in the preparation of the ERP”*). Furthermore, the assessment highlights the international support provided to the MoF and line ministries throughout this process. It, however, fails to evaluate the involvement of public actors beyond those formally involved in the process, namely the MoF, PPS, NBS and ERP WG.⁷⁵ Moreover, this assessment primarily provides a descriptive assessment and lacks estimate on the quality of the process.

Regarding the engagement of non-governmental actors, their participation is assessed in the section concerning stakeholder consultations. The assessment states that relevant national authorities involved stakeholders during preparation of the document and the e-Consultation portal was one of the tools employed for this purpose. Involvement of NCEU MS WG on ERP is explicitly mentioned, while the comments and inputs received from stakeholders are elaborated in detail in separate Annex to the ERP. However, the assessment emphasizes that it remains unclear how stakeholders were invited to participate, as some actors (such as social partners) have raised complaints about the process. It is worth noting that the assessment did not mention the involvement of organisations other than the NCEU.

Although the assessment suggests that participants in the consultation process were given sufficient time to provide comments, it is important to mention that the allocated 15 days (as stipulated by law) represent only the minimum requirement. Additionally, the process typically takes part towards the end of December when all actors are focused on year-end activities and closing of projects, which further hinders external participation in the development of ERP.

⁷⁵ EC's assessment of Serbia ERP 2022 – 2024, page 44, available at: https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/policy-highlights/economic-governance_en

Conclusions and recommendations

ERP is one of the key instruments for planning the country's economic policy and managing reforms, with the aim to maintain macroeconomic stability, strengthen international competitiveness and improve conditions for digitally based, greener, stronger and more resilient economic growth and development. Under the "fundamental first" approach and the revised enlargement methodology, ERP has been pointed out as one of the basic instruments for streamlining structural reforms in the framework of the EU accession negotiations. However, its significance and impact are not always properly explained and its preparation needs to be more than a box ticking exercise for the Government. Thus, the EC guidance has stressed the need to ensure ownership of the ERPs in view to facilitate implementation of the policy guidance and reforms. The involvement and participation of state and non-state actors in the ERP preparation, implementation and monitoring may be essential in this regard.

This analysis looks at how the WB countries are implementing the EC guidelines for preparation of the ERP, in particular on the institutional arrangements within the Government and the involvement of external actors in the process. In terms of the Institutional set up for preparation and adoption of the ERP within the Government, the WB have similar set up. The programmes are adopted at highest level at Government sessions before sending the documents to the EC. ERP WGs have been established tasked to prepare the ERP, led by the Ministries of Finance of each country and composed only by selected state institutions representatives depending on the institutional set up of the WB countries. While the key milestones of the process of preparation of the ERP is presented in the document, one of the major traits over the ERP WGs work is the lack of transparency. The list of participating institutions, as well as their representatives is not public, nor there is public announcements or reports from the sessions and public information on the progress in the preparation of the ERPs on regular basis.

The local and regional authorities are treated as external actors and participate in public consultations. They are invited to submit recommendations like all other stakeholders, rather than being directly involved in the preparation of the ERPs. These efforts result in minor contributions to the ERP in case of North Macedonia, Montenegro and Serbia where the associations of municipalities providing several comments to the ERP. Their comments in general do not necessarily correspond to the executive competences on local self-government units. This suggests that the municipalities may not understand their role and have low level of ownership in implementing structural reforms.

With its legislative powers, the national Parliaments may be crucial actor to enact planned structural reforms by adopting new or changing existing laws. Thus, the Parliament should be familiar, if not directly involved in the preparation of the ERP. The public consultations are not sufficient instrument to engage the parliament in the ERP process, as it has not attracted interest among parliamentary group or individual MPs in any of the WB Six. The Governments under the current EC guidelines are not obliged to consult the national Parliaments or relevant parliamentary committees in the ERP process. It is a rather voluntary

activity that has taken place only in North Macedonia, Montenegro and Serbia. These sessions have been informative and consultative in its nature, with no official position or conclusions being adopted by the committees in neither of the three cases.

Last but not least, consultations with non-state actors have been implemented by all WB countries the consultation mechanisms deployed across the region vary significantly though with online public consultations being the most utilised mode for gathering feedback. Accompanied with email notifications and direct invitations relevant stakeholders have submitted comments to the document. Some countries have also held consultative events with social partners, chambers of commerce, CSOs and other stakeholders to offer additional venue for consultations with external stakeholders. However, length of the consultations is short and the timing being at the end of the ERP process may be the reason, among other factors, for the small number of external stakeholders providing contributions to the ERP. The Economic and Social Council in the North Macedonia, or the NCEU MS WG on ERP in Serbia, are notable examples for institutionalised mechanisms for consultations. These platforms allow the civil society to be part of a permanent structure for involvement in preparation and the monitoring of the ERP implementation, and higher overall visibility of the whole process.

The analysis concludes with the assessment on the EC assessment in view of the research findings. In general, we find that the EC give a descriptive overview of the process of preparation and adoption, takes note on the external consultation mechanisms deployed and if the received comments are incorporated in the ERP. The institutional issues and deficiencies in the consultation processes are noted only when the ERP coordinators failed to attract any interest from external stakeholders at all. In all other cases, the EC does not take note on the particularities of the consultation process, and (lack) of interest and participation of the local and regional authorities, the national Parliaments or non-state actors in the ERP process. Taking note on the deficiencies and pointing out the positive practices by the EC could be helpful instrument to improve the process of preparation, adoption and implementation of the ERP, raise awareness and create ownership of the ERPs.

Recommendations

The ERPs of the WB should make public all information regarding the process of preparation of the ERPs as prescribed by the EC guidelines. This includes the list of government ministries and agencies as well as the regional and local authorities were involved in the preparation of the programme and in the implementation of the past policy guidance and commitments. The process of consultations of the national Parliament and the outcome; the external consultation process in which social partners (employers' associations and trade unions) and civil society were consulted as well as their comments and the response from the institutions.

The ERP coordinator institution should make efforts to make the process of preparation of the ERPs more transparent. The ERP coordinators should make public the list of ERP WG members in view to increase the transparency and accountability. Reporting on the ERP WG meetings and the progress in the preparation of the ERP on regular basis should also be considered.

The WB countries should build stronger foundation for the Parliament's involvement in the ERP process by formalising national Parliaments' role and responsibilities in the ERP process. The ERPs could be presented to the national Parliament's Plenary or to the relevant committees. The CSR of the Joint Economic and Financial Dialogue could also be discussed to give voice to the Parliament early in the ERP cycle. National Parliaments' committee may as well initiate discussions on the ERP, and use the committee sessions to increase public scrutiny over the ERP.

Further efforts are needed to increase the participation of external stakeholders, including CSOs, chambers of commerce, social partners and other interested parties to participate in the ERP throughout the process. This could be achieved through including external stakeholders in the early phases of the ERP preparation cycle, both by the ERP coordinator institutions and line ministries responsible for developing the structural measures. Different consultation mechanisms, both in person and online, should be implemented throughout the process. Last but not least, the WB countries may consider institutionalising the external stakeholders' participation in the ERP process. This could be achieved through may be to be included in the ERP WG

The EC should consider providing more specific guidelines on the institutional set-up and external consultation process. The Guidelines may clarify how should Governments involve the local and regional authorities, the Parliament and non-state actors in the ERP process. These recommendations may build upon the best practices across WB region as well as the EU member states.

The EC should note any deficiency in the ERPs, including the lack of transparency and openness of the process of preparation and adoption of the programmes. The EC should point out on deficiencies in the consultation processes as well as to point out good practices on which WB could recreate in national context.

