



SIGMA

Support for Improvement in Governance and Management

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ASSESSMENT

CROATIA

2010

POLICY-MAKING AND CO-ORDINATION

Main Developments since the Last Assessment

Overall, the system has hardly changed over the past two years.

The Civil Service Training Centre of the Ministry of Administration is undertaking training to improve policy development and legal drafting skills in line ministries. However, these training courses are limited in frequency and in number. The Legislation Office is involved in the training and is preparing a law-drafting manual for use in ministries.

The Ministry of Finance, in association with the Central State Office for Development Strategy and Co-ordination of EU Funds (CODEF), initiated in 2009 a ministry-level strategic planning system. At the start of each year, each line ministry is to prepare a three-year strategic plan. These plans are then compiled to form a government-wide three-year strategic plan that is intended to influence the annual budget process. This system involves primarily a bottom-up process, but in 2010 the Ministry of Finance and CODEF organised joint workshops with line ministries to review progress achieved in comparison with 2009 objectives and to link line ministry plans with wider strategic and budgetary objectives.

The Ministry of Foreign Affairs and European Integration (MFAEI), in addition to the Office of the Chief Negotiator, now has two directorates for EI: (i) Directorate for Support to Croatia's EU Accession Process, and (ii) Directorate for Co-ordination and Monitoring of Adaptation to the EU Legal System and Monitoring of Implementation of the Stabilisation and Association Agreement. These directorates and the Office report to the State Secretary for European integration and form a rather autonomous structure within MFAEI.

In 2009 the government abolished the recently created Regulatory Impact Assessment System Co-ordination Office for financial reasons. It subsequently reallocated responsibility for all four types of impact assessment (fiscal, economic, social and environmental) to the Legislation Office, which appears to be taking this responsibility seriously and has prepared a plan for the future operation of the system. A modest number of extra staff has been added to the Legislative Office, which has had to rely principally on the four main line ministries (Finance; Economy, Labour and Entrepreneurship; Health and Social Welfare; and Environmental Protection, Physical Planning and Construction), each of which must make four staff members available to work on impact assessment.

In November 2009 the government adopted a code of practice on consultation, drawing on international good practice. The provisions of the code include advance notice of consultation exercises, publication of draft laws for consultation with a minimum period of 15 days for the public to comment, and feedback to the public from ministries after consultation. The adoption of this code is a welcome development.

Main Characteristics

On the positive side, in general the legal framework for the policy system is adequate. A good sequential system is in place for funnelling items and for conflict-resolution in preparation for sessions of the government. A good system within the General Secretariat of the Government ensures logistical support to sessions of the working bodies and of the government.

The Strategic Development Framework for 2006-2013 (shortly to be "refreshed") now overarches three interlinked strategic planning systems: one budgetary system based on the Pre-Accession Economic Programme; one EI-related system centred on the Annual Plan for the National Programme for Accession; and one system based on the new line ministry strategies. Like many other governments in the region, the Croatian Government has trouble in ensuring consistency between its various strategic systems.

The centre of government is fragmented, but working procedures and the existence of expert task forces, co-ordination committees and an inner cabinet somewhat compensate for this fragmentation. Fiscal Impact Assessment arrangements are operational and are gradually improving. An effective structure is in place to

manage and co-ordinate European integration activities. Procedures for ensuring transparency and communication with the public are adequate. Consultation is being strengthened.

On the negative side, despite improvements in recent years, the quality of policy development and law-drafting in ministries remains variable and overall is poor.

The mechanism to plan and monitor work that is not related to European integration, envisaged in the 2008 Strategy for the Reform of State Administration, has not been introduced.

As successive Sigma assessments have pointed out, the centre of government remains weak and fragmented. The General Secretariat of the Government does not have adequate legal competence or capacities to co-ordinate policy, plan the work of the government, monitor implementation of decisions, or provide policy and strategic support to the Prime Minister and to the government.

Reform Capacity

Line ministries' capacities for policy development and law-drafting remain variable and are generally weak. The capacity of the Civil Service Training Centre to provide remedial training is limited, partly because it provides many IT and language courses that might more appropriately be provided by the private sector. The Legislation Office is playing a helpful role in training and is developing a law-drafting manual.

In terms of central co-ordination, EI capacities in MFAEI remain strong. The Ministry of Finance is taking an increasingly active role in strategic planning. CODEF has a small core of strategic planning expertise. However, the restrictive remit of the General Secretariat of the Government and the general weakness of the centre of government constitute a major capacity gap.

Capacities are also attenuated by the fragmentation of responsibilities. The institutional and physical isolation of CODEF from other co-ordination institutions makes little sense. Similarly, the viability of the new impact assessment arrangements may be endangered by the fragmentation of responsibility between four ministries co-ordinated by the Legislation Office. These various weaknesses may explain why important undertakings in the 2008 Strategy for the Reform of State Administration, such as the introduction of a government work planning and monitoring system, have not been activated.