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Better Regulation Strategy 2.0 for Kosovo

2017-2021

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List of acronyms

AGE – Agency for Gender Equality

AP – Action Plan

BRS – Better Regulation Strategy

CD – Concept Document

CoG – Centre of Government of Kosovo

DFID – Department for International Development

ERA – European Reform Agenda

ERP – Economic Reform Programme

EU – European Union

GAWP – Government Annual Work Plan

GCS – Government Coordination Secretariat within the OPM

GEA – Gender Equality Analysis

GIZ – Deutsche Gesellschaft für Internationale Zusammenarbeit

GoK – Government of Kosovo

LO – Legal Office within the OPM

IA – Impact Assessment

IFC – International Finance Cooperation

IFWP – Indicative Forward Work Planning

IO – Information Obligation

KAS – Kosovo Agency of Statistics

KCSF – Kosovar Civil Society Foundation

MED - Ministry of Economic Development

MEI – Ministry of European Integration

MoF – Ministry of Finance

MPA- Ministry of Public Administration

MTI – Ministry of Trade and Industry

NDS – National Development Strategy

NPISAA – National Programme for Implementation of the Stabilisation and Association Agreement

OECD – Organisation for Economic Co-operation and Development

OGG – Office for Good Governance within the OPM

OPM – Office of the Prime Minister of Kosovo

OSCE – Organization for Security and Co-operation in Europe

PCO – Public Communication Office within the Office of the Prime Minister

RoP – Rules of Procedure of the Government of Kosovo

SCM – Standard Cost Model

Sida – Swedish International Development Cooperation Agency

SIGMA – 'Support for Improvement in Governance and Management' (a joint initiative of the OECD and the European Union)

SIPPC – Strategy in Improving Policy Planning and Coordination

SMEs – Small and Medium-sized Enterprises

SPO – Strategic Planning Office within the OPM

ToT – Training of Trainers

WB – World Bank

Executive summary

'Better Regulation' covers a wide range of programmes, approaches to policy analysis and tools to perform various kinds of analysis. The aim of Better Regulation is to improve the design of policies and legislation by ensuring that they are based on evidence and contribute to inclusive growth. In practical terms it means that government decisions are based on data, statistics and consultation of stakeholders.

The Government of Kosovo adopted its first Better Regulation Strategy in 2014. In the subsequent years, serious issues with regards to the actual implementation of the strategy and its goals emerged. This was in part due to the lack of resources, including human and budget resources, and overly ambitious assumptions with regards to how Better Regulation policies need to be designed and rolled out within an administration.

Based on an in-depth analysis of the Better Regulation Strategy by SIGMA/OECD, the Government of Kosovo decided to restructure the strategy and ensure that the Better Regulation Agenda of Kosovo is based on a realistic approach that takes into account the time that is needed to develop and implement Better Regulation activities effectively in the country.

The Better Regulation Strategy 2.0 for Kosovo is better funded than its predecessor and can build on extensive support from the Swedish International Development Cooperation Agency (Sida). It is also more realistic with regards to the time lines for implementing Better Regulation policies since it reflects activities in Kosovo based on experiences that have been gathered within the country itself and in the European Union and its Member States. To ensure the strategy's implementation, the Government of Kosovo has attributed responsibility for the Better Regulation Strategy 2.0 to the Government Coordination Secretariat within the OPM.

The main aims of the Strategy are:

1) assessing how the Government of Kosovo could develop a programme for effectively reducing administrative burdens based on analysis in a Concept Document;
2) introducing Impact Assessment based on the current system for developing Concept Documents for which policy development capacities will be significantly increased;
3) improving stakeholder consultation through full implementation of the Minimum Standards for consultation;
4) improving policy communication based on in-depth analysis of the current situation which will be presented in a Concept Document combined with a specific Action Plan; and
5) developing a more realistic work planning that takes into account the time needed to conduct policy analysis and stakeholder consultation; based on a Concept Document in which the design will be elaborated.

Introduction

Better Regulation plays a vital role in a country's development. When they are designed in a smart fashion, rules foster inclusive economic growth and development. However, the opposite can be true as well. Badly designed rules, excessive demands on citizens, companies and administrations can lead to rules that are needlessly burdensome or not properly executed. Such rules restrict economic development and can push companies into the black economy where workers lack proper social and work safety protection and where companies lack access to finance. These are just two negative effects and many more could be listed.

The Government of Kosovo, based on its recent experience, has reconsidered the work in the field of Better Regulation in the light – in particular – of the experiences of the European Union and its Member States. This strategy presents a combination of activities that the government will embark on together with initiatives that the government would like to see developed. The funding for the first category, those that the Government will for sure implement, has been secured. The question whether activities in other areas can actually be undertaken will depend on the availability of funding which, at this moment, is not yet secure.

This strategy builds on the Better Regulation Strategy that was adopted by the Government of Kosovo in 2014. After an in-depth review of the strategy by SIGMA/OECD it became clear that it had to be adapted in order to render it more concrete and allow the Government of Kosovo to effectively turn the objectives into reality and monitor the strategy's implementation.

This updated strategy follows the outline of the original strategy. The two general objectives are:

GENERAL OBJECTIVE 1: AN ENABLING REGULATORY SYSTEM
GENERAL OBJECTIVE 2: EFFECTIVE PUBLIC COMMUNICATION AND PUBLIC CONSULTATION

The decision to take out the objective on 'Sound Implementation' of policies and legislation lies in the fact that the Better Regulation Strategy 2.0 for Kosovo focuses on the procedures and tools to develop better decisions based on evidence, analysis and consultation. This strategy does not aim to repeat the specific aims that ministries like the Ministry of Public Administration and the Ministry of Trade and Industry are developing. These aims are reflected in their respective strategies to improve implementation of rules and create a more effective and efficient regulatory environment.

The Government of Kosovo remains committed to principles of sound implementation of policies and legislation. These are, in particular, (1) 'one report – many uses' that ensures that citizens, companies, civil society organizations and all others that interact with the administration only need to provide information once and that this information is then accessible and reused by other actors within the administration; (2) 'risk-based approach for inspections' where the inspection regime and inspection practices are rationalized in accordance to the expected risks, the actual capacities of inspection authorities and focused on addressing the most relevant forms of rule breaking, e.g. companies that fail to live up to a series of requirements need to be inspected more while those that are conscientious in the

way that they develop their business activities in line with the law should be subject to fewer inspections overall; and (3) the ‘one-stop-shop’ that allows companies and citizens to conduct all necessary administrative procedures through one government portal.

Methodology

The Better Regulation Strategy 2.0 was drafted by the Government Coordination Secretariat within the Office of the Prime Minister (OPM) with close support by the Swedish International Development Cooperation Agency (Sida) that supports the OPM in Kosovo on improving policy development and coordination. The Secretariat is also responsible for implementation of most of the activities that follow from this strategy. A detailed overview of responsibilities and activities is presented in the Action Plan.

This updated strategy builds on the work and support provided for the development of the previous version of the strategy by the World Bank / International Finance Cooperation, GIZ, the OSCE and the Swiss Cooperation Office in Kosovo.

The fully funded activities that follow from this strategy are made possible thanks to the support provided to Kosovo by the Swedish International Development Cooperation Agency and World Bank/IFC. For the activities that are not funded, the Government of Kosovo will engage with the donor community to assess whether the suggestions listed in this strategy and the potential future funding need to develop yet unforeseen possibilities can actually be developed further and be implemented.

This update takes into account the best international practices for Better Regulation, in particular the European Union, Sweden, Germany and Netherlands. In addition, it builds on the analysis conducted by the OECD. These experiences are essential for understanding the challenges that governments face when they embark on the challenging process to change the working methods of the administration.

The original strategy went through a broad process of public consultation, for a period of more than six months with the main stakeholders of public institutions, civil society and the business community. Two separate consultation sessions were held with different stakeholders in June and December of 2013. The Better Regulation Strategy 2.0 regards the outcome of these consultations and the declared support for Better Regulation in Kosovo as general support of the principles reflected in the version of the strategy presented in 2014. This is the reason why the general objectives were kept the same.

During the meetings with relevant organizations to support the development of this strategy, the support for further developing Better Regulation in Kosovo was evident. The apparent lack of progress and the absence of an effective monitoring structure was an issue raised by several stakeholders. The Government of Kosovo therefore attributes particular relevance to these two issues.

The written public consultation for the Better Regulation Strategy 2.0 was initiated under the auspices of the Strategic Planning Office within the Office of the Prime Minister on 22 November 2016. The deadline for submissions was 7 December 2016. The strategy was presented to stakeholders in three language versions: Albanian, Serbian and English. The submissions that were received during the written public consultation were integrated into the final version.

GIZ raised relevant issues with regard to the implementation of the activities under this strategy and the activities that are being conducted or will be unfolded in relation to furthering Kosovo's EI commitments. GIZ also confirmed several concerns that the Government of Kosovo shares, especially regarding implementing a burden reduction programme based on a 25% reduction target. The Government regards these shared concerns as validation of the direction chosen in this strategy. In addition, GIZ raised useful comments with regards to the practical implementation of the strategy that are taken forward but that did not lead to actual changes to the strategy.

KCSF's stakeholder contribution addressed several issues related to the implementation of the Minimum Standards for Public Consultation in Kosovo. These will support the implementation of the activities foreseen under Specific Objective 2.2 on improved consultation. KSCF also stressed the added value that civil society can bring to the policy development process, for example in the area of improving statistics for policy development and with regards to administrative burden reduction and consolidation of legislation. These issues are very relevant and will be covered during the implementation of the strategy.

The OSCE requested a clearer reference to the current Draft Law on Normative Acts. The reference to the foreseen consolidation process in this draft has been added in the strategy.

USAID's Partnerships for Development program, specifically covering Business Enabling Environment, suggested keeping referring to the 'OECD Reference Checklist for Regulatory Decision-Making' as a guiding checklist for improving policy development and the introduction of Impact Assessment in Kosovo. In addition, the suggestion was made to place a clear 'burden of proof' for regulatory actions presented by the government, in particular when these actions relate to introducing or adapting requirements for businesses in the field of licenses and permits. The original OECD Checklist has been added to this strategy. The planned introduction of the SME Test and the regulatory competitiveness test will provide specific attention to permits and licences.

In addition to the consultations that have been conducted, the Government of Kosovo regards this updated strategy as the start of a continuous engagement with stakeholders that are interested in the field of Better Regulation.

The process for preparing this strategy was managed by the special working group established by the Secretary-General of the OPM for redrafting both the Better Regulation Strategy and the Strategy for Improving Policy Planning and Coordination. This working group was chaired by the Director of the Strategic Planning Office within the Office of the Prime Minister of Kosovo. The special working group consisted of representatives from the OPM (SPO, GCS and LO), MEI, MoF, MPA and MTI.

Alignment with the Strategy on Improving Policy Planning and Coordination

The Better Regulation Strategy and the Strategy for Improving Policy Planning and Coordination were revised at the same time. The Government of Kosovo decided to keep the two strategies separate since they deal with topics that have very different characteristics. Coordination of the content of the two strategies was ensured through the special working group for the redrafting of the two strategies.

However, certain issues are relevant for both strategies. This applies in particular to increasing capacities within the administration are needed in relation to both policy development and policy planning. In the SIPPC, capacity development is presented as a separate Objective. The decision was made to list the necessary capacity developments under the various sub-objectives of the Better Regulation Strategy and reflect them in the Action Plan. Capacity development is also reflected and reported upon under the Strategy for Improving Policy Planning and Coordination.

Simultaneously, this strategy sets the sub-objective to improve the quality of the work planning of the government. The aim to improve the evidence-base for government decisions in Kosovo depends, to a great extent, on the participation of stakeholders in public consultations, the reservation of sufficient time for policy analysis and the ability to conduct inter-ministerial consultation effectively. Improved work planning thus represents a systemic dimension which is linked to the Objective on monitoring presented in the SIPPC. Given its practical relevance for Better Regulation, the IFWP is taken up in this strategy.

Since it would need to be aligned to and based on the current planning structure and since the potential costs for the IFWP are yet unclear and could be substantial, the Government of Kosovo presents the IFWP on a strategic level. This choice is further reinforced by the importance of improving the implementation of commitments presented in the work plan and the medium-term planning documents of the Government of Kosovo.

Background

The Government of the Republic of Kosovo is strongly committed to economic and social development. Key amongst this is the continuing effort to remove barriers to that hinder business development and investment and to improve the rule of law.

The need for a comprehensive and Kosovo-specific Better Regulation policy is link to the need to structure the framework for developing and maintaining policies and legislation. In addition, with regards to the ongoing promotion of the rule of law in Kosovo, laws need to be modernised and be fit for the purpose that they are designed for. Their implementation needs to be streamlined and made as efficient as possible. These benefits the enforcement and inspection agencies that need to make legislation work in practice. It also benefits the citizens, companies, NGOs and others that have to comply with legislation since they are asked to fulfil rules that are proven to be needed and are void of unnecessary administrative burdens.

Better Regulation is relevant since normative acts represent an important mechanism to structure and guide development within a society. However, alternatives to legislation need to be considered as well. This means that the Better Regulation Agenda needs to cover both policies and legislation. Policies, after all, often are the basis for developing new legislation or amend existing rules.

Since the early 2000s, both the European Union (EU) and member countries of the Organization for Economic Cooperation and Development (OECD) have established comprehensive and well-thought through systems for preparing policies and legislation. A central role is given to the expected performance of rules with the main aim being the improvement of the citizens' quality of living and boosting economic growth through improving the climate for doing business.

The quality of policies, normative acts, sub-legal acts and the efficiency of the public administration are key factors that determine the competitiveness of a country in the global marketplace. They have a large impact on the economy and can induce economic development. However, when the design and implementation is not optimal, they can also hinder business entities through inefficient rules with a slow-down of economic development as a result. Laws that cannot be properly implemented do not add value to a country's development and can impose needless complexity and burdens for the legal system and reduce the clarity of the legal framework. Policies and legislation that are developed without the appropriate analytical tools risk having unwanted side effects such as needless administrative burdens and overly high demands on the budget of Kosovo. The processes for developing policies and legislation need to incorporate issues such as the prevention of corruption, reducing discrimination, defending human rights and promoting gender equality.

Better Regulation, which includes Regulatory Reform, represents a comprehensive set of tools for developing policies and legislation that benefit the development of a society. It is clear that such processes need constant attention since regulating activities in society are by default complex, multidisciplinary, dynamic and continuously ongoing activities.

The Better Regulation Strategy 2.0 covers the following five aspects:

1- ECONOMIC – The efforts for further developing and promoting activities in the private sector in Kosovo underlines the need for an increased partnership between the public and private sector. This implies that the preparation process for policies and legislation should be supported by rigorous analysis with regards to the potential economic costs and benefits. It shows the need to assess the likely impacts during the decision-making process. In addition, it brings to the fore the question of how Kosovo should embed in-depth evaluation and administrative burden reduction in order to keep policies and legislation fit for the purpose they were designed and adopted for. In this regard, Kosovo needs to improve the application of Economic Impact Assessment and promote the use of the Standard Cost Model in order to control the level of administrative burdens caused by legislation.

2- SOCIAL – Legislation can have a profound effect on the social situation of individuals, groups of people or society at large. The potential negative social effects of legislation need to be properly addressed during the development process for policies and legislative proposals in order to prevent shortcomings or negative consequences that can be countered through the application of specific analytical approaches. Since these approaches are not yet properly embedded within the analytical framework for preparing government decisions, the necessary steps need to be made to ensure that legislation does address effectively the social dimensions that are specific to Kosovo.

3- ENVIRONMENTAL – Policies and legislation regularly cover aspects that address or touch upon environmental issues. These impacts, however, are not analysed in a systematic manner under the current framework for preparing government decisions. This contrasts with the rules laid down for environmental impacts of infrastructure projects for which Kosovo has established a regulatory framework[1]. The current analytical framework for preparing policies and legislation needs to be supplemented with impact analysis with regards to measures that affect the environment and can, for example, have impacts on air quality, bio-diversity and water quality.

4- TECHNOLOGICAL – Information and Communication Technology (ICT) tools develop with magnificent speed. They can enable universal and easier access to data resources and information services. They can be applied to streamline the preparation of government decisions, support the legal drafting process and enable efficient implementation of rules and procedures that are laid down in normative and sub-legal acts. Investments in IT tools can be costly and should be based on proper analysis of these costs versus wider benefits the IT tools might provide.

5- CROSSCUTTING: Policies and legislation in Kosovo need to properly address aspects that cover a wide range of issues, from economic, to social and environmental. The Government's aims such as improving gender equality and reducing discrimination needs to be properly embedded within the framework for developing policies and legislation. This means in practice a concerted effort to, among others, improve the application and quality scrutiny of Gender Equality Analysis while developing Concept Documents; exploring the possibilities to

[1] See also: LAW NO.03/L-024 ON ENVIRONMENTAL IMPACT ASSESSMENT

develop a conflict sensitivity analysis etched on the specificities of Kosovo; and ensuring that legislation effectively reduces discrimination on whatever ground.

Vision and strategic objectives

This strategy covers two general objectives, which are split into four and three sub-objectives respectively. These are presented in the table below and are explained further on in this document.

In the Action Plan, these objectives are linked with concrete activities that the Government of Kosovo wants to develop and invest in.

Figure 1: General and specific objectives

GENERAL OBJECTIVES	SPECIFIC OBJECTIVES
AN ENABLING REGULATORY SYSTEM	x REFORMS OF EXISTING PRIMARY AND SECONDARY LEGISLATION TO ENHANCE COMPETITIVENESS x INTRODUCING IMPACT ASSESSMENT x IMPROVED DATA/STATISTICS x EVALUATION
EFFECTIVE PUBLIC COMMUNICATION AND PUBLIC CONSULTATION	x IMPROVED POLICY COMMUNICATION x IMPROVED CONSULTATION x IMPROVED WORK PLANNING

These objectives and sub-objectives focus on further advancing Kosovo's system for policy development and work planning. In addition, they reflect the aim of the Government of Kosovo to promote economic growth through establishing a regulatory system that promotes business investments and activities. This includes analysing a possible comprehensive approach to modernise the entire stock of legislation and effectively remove unnecessary regulatory barriers.

The European Union has successfully completed its administrative burden reduction programme by 2012. It reached a reduction target of 25% and eliminated unnecessary costs for EU companies by a magnitude of 30,8 billion euro. The European Commission estimated that in the medium term the reduction programme could lead to an increase of 1.4 % in EU GDP, equivalent to EUR 150 billion.[7]

The benefits that a dedicated focus on reducing administrative burdens brings are of such an order of magnitude that it is worthwhile to explore how a reduction target for administrative burdens can be implemented. The Government of Kosovo therefore wants to explore this issue in-depth and assess which conditions need to be met in order to successfully achieve such a reduction target or, if possible, to achieve a reduction level far above the 25% just like the Dutch government has been able to achieve through consecutive programmes for reducing administrative burdens.[8]

How to move forward?

Reducing administrative burdens as a specific policy goal in an effective manner demands significant resources and commitment. This becomes clear from the efforts made by countries that have implemented reduction targets successfully. These investments were considerable in terms of human and budget resources. Annex 1 presents a preliminary estimate of the expected human and budgetary resources that are needed to implement a target for administrative burden reduction. Further analysis is necessary to determine the expected

[7] European Commission (2012), *Action Programme for Reducing Administrative Burdens in the EU Final Report*
Link:
http://ec.europa.eu/dgs/secretariat_general/admin_burden/docs/com2012_746_swd_ap_en.pdf

[8] See also this selection of reports published by the Dutch Government on its administrative burden reduction programmes:
1) *Programmabrief 'Goed Geregeld, een verantwoorde vermindering van regeldruk 2012 – 2017'* (Translation: Programme letter 'Well organised, a responsible reduction of regulatory costs 2012 – 2017'), 2013
Link:
https://www.rijksoverheid.nl/onderwerpen/regeldruk/documenten/kamerstukken/2013/04/24/kamerbrief-goed-geregeld-een-verantwoorde-vermindering-van-regeldruk-2012-2017
2) 'Programma Regeldruk Bedrijven 2011 – 2015' (Translation: Programme on Regulatory Costs for Companies 2011 – 2015), 2011
Link:
https://www.rijksoverheid.nl/onderwerpen/regeldruk/documenten/kamerstukken/2011/02/07/programma-regeldruk-bedrijven-2011-2015
3) *Dit willen we nog even kwijt… Vermindering administratieve lasten voor het bedrijfsleven* (Translation: This we would like to abolish still… Reduction of administrative burdens for the private sector), 2006
Link: https://www.rijksoverheid.nl/documenten/kamerstukken/2008/08/05/rapportage-vermindering-administratieve-lasten-voor-het-bedrijfsleven

benefits of and the actual resources needed for implementing a burden reduction target in Kosovo. It is expected that the resulting positive effects for the economy are, as in other countries, many times worth the investment made by administrations. This means that the activities that need to be undertaken are expected to be more than worthwhile. This assumption is the driving force for the Government of Kosovo to take administrative burden reduction serious and to properly assess how these burdens can be reduced.

In order to ensure that implementing a burden reduction target is feasible, the final decision to reduce administrative burdens by at least 25% needs to be based on evidence and sound analysis that allows the Government of Kosovo to implement the target properly and without delay. There are several practical issues that need to be considered now and additional ones will surely surface while the analysis on the necessary infrastructure, procedural set-up and necessary capacity development to achieve the reduction target is ongoing.

First of all, the concept of administrative burdens and the Standard Cost Model (SCM) are relatively new for the Kosovo administration. They have not been integrated into the process for policy development or the process for preparing legislative proposals. The Government of Kosovo therefore has to ensure that civil servants become familiar with the SCM and can apply it. First and foremost, this means that the necessary data for SCM calculations needs to be available and that civil servants need to be trained in its application. A potential future programme for reducing administrative burdens needs to take into account the complexity of introducing the SCM into the policy development process. Work on this has already started and will continue during the coming years.

Secondly, the effort needed to establish a reduction target for administrative burdens in relation to the infrastructure that is necessary to deliver on such a target has to be explored and agreed upon. This has to take place before a reduction target is set and a deadline for achieving it is determined. Some of the prerequisites for effective application of the SCM and the implementation of a reduction target are (1) a baseline measurement that functions as a benchmark against which progress is measured and as a database for determining administrative burden reduction possibilities; (2) effective support mechanisms, including knowledge and budget resources, available to line ministries to apply the SCM and develop reduction proposals; (3) human capacities at line ministries and other parts of the administration to identify reduction proposals and develop the necessary regulatory changes – including extensive consultation with stakeholders; and (4) effective quality control – and thus staffing levels – performed by a dedicated department for administrative burden reduction within the CoG, potentially supported by an independent public institution that operates as a watchdog to oversee progress and to support and simultaneously push the administration to deliver on the reduction promise. These watchdogs often look at more issues than administrative burdens as such and are tasked as well with assessing regulatory quality from additional angles, e.g. general economic or business impacts. This underlines the need to a proper discussion before any decision in relation to the role of such a watchdog in a potential set-up for Impact Assessment in Kosovo.

Figure 3: Overview of independent organisations overseeing administrative burden reduction programmes and/or the quality of impact assessments

European Union	- High Level Group for Administrative Burdens (Burden Reduction Programme) - Regulatory Scrutiny Board (Impact Assessments and Major Evaluations)
Finland	Council of Regulatory Impact Analysis
Germany	Normenkontrollrat
Norway	Regelradet/Better Regulation Council
Sweden	Regelradet/Better Regulation Council
The Netherlands	Actal
UK	Regulatory Policy Council

Thirdly, given the overall priority of Kosovo to join the European Union – a goal for which the implementation of the European Acquis is essential – the potential creation of new or updated regulatory requirements as a result of European integration of the country must be properly treated under an administrative burden reduction programme. While the implementation of EU rules needs to be efficient and their implementation effective, a burden reduction target should not impair Kosovo's long-term aim to become a Member State of the European Union.

Or particular importance in this respect is the process of conducting the Legal Alignment Gap Assessment (LAGA) that is planned for in 2017. LAGA in practical terms means screening of Kosovo primary and secondary legislation and assess the gaps in terms of its approximation with the EU *Acquis*. How LAGA interacts with a future administrative burden reduction programme and how the two could complement each other needs to be assessed in more detail.

Successful administrative burden reduction programmes in Europe have all covered the four aspects that are listed in the previous paragraphs. Kosovo needs to ensure these four are properly in place in order to achieve an administrative burden reduction target. Further analysis on practical organisational arrangements is needed with regards to the task for applying the SCM and the development of the baseline measurement. For these two aspects, various approaches have been taken.

While developing the baseline for administrative burdens, The Netherlands and the European Commission made use of external consultants to provide the necessary information.[9]

[9] Dutch Government (2008), '*Nulmeting administratieve lasten bedrijven 2007*' (Translation: Baseline measurement administrative burdens companies 2007)
Link: https://www.rijksoverheid.nl/documenten/brochures/2009/08/19/nulmeting-administratieve-lasten-bedrijven-2007
And European Commission (2010), '*EU Project on Baseline Measurement and Reduction of Administrative Costs: Final Report, incorporating report on Module 5.2 – Development of Reduction Recommendations'*
Link: http://ec.europa.eu/smart-regulation/refit/admin_burden/docs/enterprise/documents/files/abs_development_reduction_recommendations_en.pdf

Germany, in contrast, ensured that the baseline measurement was conducted and maintained by the Federal Statistical Office.[10]
In terms of budgetary impact, the involvement of external consultants demands high upfront investments. Embedding the SCM measurement expertise within the administration is likely to be less costly upfront, but demands that the necessary human resources are kept available for an extended period of time.

Given the lack of experience with the SCM in Kosovo, involving external consultants would mean involving consultants from abroad, probably experts located in the European Union. The costs of conducting a baseline measurement would probably be very high and conducting a baseline this way might potentially be unaffordable. In addition, such a practice would be unlikely to yield long-lasting understanding of the model and its application.
The German approach, which could be envisaged in Kosovo by engaging the Kosovo Agency of Statistics, seems to be the more appropriate approach for Kosovo yet it would probably take longer to be properly implemented. The capacities of the statistical agency would, just like those of other relevant organisations, have to be brought in line with the demands of a reduction programme. In any case, further in-depth analysis is needed to decide on the manner in which the baseline measurement would be conducted.

Another issue to consider is whether the Government of Kosovo should decide to establish a full baseline measurement which would mean measuring all administrative burdens stemming from all existing primary and secondary legislation. The alternative is to start with a measurement and reduction programme that covers only a specific set of legislation. The first approach was, for example, chosen by the Dutch government. The latter approach was applied by the European Union.[11]

There are several issues that need to be considered with regards to such a choice. Limiting the baseline to a specific number of laws or policy areas is likely to deliver quick results. However, the risk is that such an approach yields lower than expected benefits since other, needlessly burdening parts of the regulatory framework remain unchanged.

Burden reduction and legislative consolidation

Reducing administrative burdens means adjusting the legal provisions set in both primary and secondary laws. An effective reduction programme thus always means increased legislative activity to simplify existing laws and sub-legal acts, placing a clear demand on the staff of line ministries and Centre of Government organisations. In addition, since it increases the efficiency of the information demands that the administration imposes on companies and citizens, administrative burden reduction demands that the processes for executing the legal

[10] Federal Statistical Office of Germany (2006), '*Introduction of the Standard Cost Model Methodology Manual of the Federal Government*'
Link:
https://www.destatis.de/EN/FactsFigures/Indicators/BureaucracyCosts/Download/SCMManual.pdf?__blob=publicationFile
[11] See the baseline measurement reports referred to in footnote 5.

provisions have to be updated as well. This can mean increased investments in IT systems and updating of existing materials.

This expected demand that will be placed on the administration of Kosovo needs to be planned properly given the limited capacities that exist. It is essential to add that Kosovo faces not just issues of regulatory inefficiency, but also faces a general regulatory complexity due to the history of the country and the absence of procedures that enhance regulatory clarity. For example, legislation is not systematically consolidated. The Government of Kosovo wants to address the process for consolidation in the Law on Normative Acts Putting this principle into practice still means setting up the required working processes to effectively consolidate legislation in Kosovo. The procedure for consolidation is expected to be regulated within the Law on Normative Acts. Such consolidation will place considerable demands on the same structures within the Centre of Government and line ministries that would be involved in administrative burden reduction.

Linked to this, the Government of Kosovo aims to explore whether the entire set of applicable primary and secondary legislation could be subjected to a Regulatory Guillotine and Recasting programme. A thorough revision of the legal framework should include a process through which the validity and added value of existing legislation is assessed. Such a guillotine would be a novel concept and needs to be explored further. The logic behind this approach is that since consolidation and administrative burden reduction would both demand considerable resources, it would be useful to first see whether existing legislation is still necessary and, in addition, to assess whether existing laws might be merged.

Figure 4: The approach that the Government of Kosovo wants to explore in order to increase the quality, efficiency and clarity of the legal framework

Administrative burden reduction based on a 25% target: the information obligations are calculated and unnecessary burdens are eliminated

Regulatory Guillotine: scrutinise all existing primary and secondary legislation; those items deemed not necessary are abolished

Recast: each piece of primary and secondary legislation is tested against the question whether it should be merged with other existing legislation

Consolidate: a consolidated version of primary and secondary legislation is proposed based on all the amendments that have been made in the past

Adoption: the improved primary and secondary legislation is approved by the Parliament or the Government of Kosovo, depending on the requirements for the specific file

The Government of Kosovo is fully aware that the proposed approach is very ambitious and demanding. At this stage, the necessary infrastructure to implement such an approach successfully does not exist. What is clear at this stage is that if administrative burden reduction, consolidation etc. are implemented in an uncoordinated way, useful time and resources would be wasted needlessly. The administration of Kosovo would face excessive demands since it would have to repeat the same kind of activities several times over.

The resources needed to implement this approach will be substantial. However, also consolidating all legislation or implementing an administrative burden reduction target would demand sizeable resources. How Kosovo should organise this process needs to be assessed in detail. This includes analysing the option of establishing temporary departments and/or attracting project-related staff at the Office of the Prime Minister and line ministries.

Avoiding unnecessary administrative burdens

The Government of Kosovo is committed to implement policy development practices that enable the development of policies and legislation that are efficient. Burdens for companies, especially SMEs, need to be kept as low as possible. The Standard Cost Model provides the means to steer the development process of government decisions. This is possible even without the potential reference to a full baseline measurement for administrative burdens.

The government will ensure that the SCM approach is embedded in the process for developing Concept Documents. The approach developed by the European Commission for ex-ante policy analysis under its Impact Assessment system as well as experiences of other countries will be leading in this.[12] Applying the SCM during the policy development process will enable the Kosovo administration to develop the necessary capacities needed for implementing an administrative burden reduction target.

Figure 5: Indicators for assessing progress achieved under Specific Objective 1.1

1) Adoption of the Concept Document by 2018 on the benefits and costs of implementing an administrative burden reduction programme, including a comparison of potential project designs including the options presented in Figure 4, the main requirements related to reducing administrative burden against a set target and a budget assessment for each viable programme design option
2) Developing capacities for implementing an administrative burden reduction programme through trainings of relevant staff at CoG institutions and line ministries: certifying trainers on SCM trainings by 2018; at least 5 trainers are certified by 2018; 20% of relevant staff at CoG and line ministries are trained by 2018; this number increases to 90% by 2021.
3) The SCM is used during the policy development process in relevant Concept Documents, 30% by 2018, 50% in 2019, 100% by 2021

Indicators that would apply in case the Government of Kosovo – based on the Concept Document that will be developed – adopts an administrative burden reduction target:
1) Start of a programme to reduce administrative burdens set against a specific target based on the options presented in the Concept Document (this indicator is dependent on the feasibility of implementing the reduction programme, the development of the required capacities and the availability of budget for implementing the reduction target)

[12] European Commission (2015), *Better Regulation "Toolbox"*, Tool #53: The Standard Cost Model for Estimating Administrative Costs

2) Concrete reductions measured in percentages of administrative burdens set against a baseline that is developed as part of the burden reduction programme with concrete and measurable reductions of burdens associated with information obligations that originate in legislation (this indicator is dependent on the start and successful implementation of a reduction programme for administrative burdens)

SPECIFIC OBJECTIVE 1.2: INTRODUCING IMPACT ASSESSMENT

Impact Assessment is a key element for advancing Better Regulation since it is a tool that enables the development of better policy solutions for a given problem through systematic ex-ante analysis and consultation. An effective IA process can safeguard the balance between protecting and advancing social goods, the environment, enshrining the rights of individuals on one side and the costs of implementing legislation by the administration and complying with the legislation by companies and citizens on the other. IA can provide an essential contribution to inclusive growth and the Government of Kosovo aims to apply the tool to ensure sustainable economic development of the country.[13] [14] Improving the quality of Concept Documents and introducing Impact Assessment will strengthen the quality of regulatory governance in Kosovo, which should be reflected in the World Bank's Global Indicators of Regulatory Governance.[15]

In the 2016 EU Progress Report, the importance of Impact Assessment with regards to supporting economic growth and the reduction of administrative burdens, especially on SMEs, was clearly highlighted. Strengthening ex-ante policy analysis and introducing the SME Test was listed as one of the key recommendations for Kosovo with regards to the implementation of the Small Business Act for Europe.[16] The Government of Kosovo is of the same opinion and thus will take the necessary steps to introduce Impact Assessment.

The European Commission itself works with a highly developed Impact Assessment system that covers proposals for policies, legislation and sub-legal acts.[17] In addition, the analysis covers economic, social and environmental impacts which ensure a proper balance of societal interests during the development of proposals. Kosovo can relate to this approach and IA systems developed by Member States of the European Union and countries in the Western Balkans.

Figure 6: Integrated Ex-Ante and Ex-Post Policy Analysis by the European Commission

Level of document	Policy proposal		Legislative proposal		Proposal for sub-legal act	
Name of document	White Paper	Policy Communication	Regulation	Directive	Implementing Act	Delegated Act

[13] Deighton-Smith, R., A. Erbacci and C. Kauffmann (2016), "Promoting inclusive growth through better regulation: The role of regulatory impact assessment", OECD Regulatory Policy Working Papers, No. 3, OECD Publishing, Paris

[14] OECD (2016), *The Governance of Inclusive Growth: An Overview of Country Initiatives*, OECD Publishing, Paris.

[15] See also the World Bank webpage on Global Indicators of Regulatory Governance: http://rulemaking.worldbank.org/

[16] OECD, et al. (2016), *SME Policy Index: Western Balkans and Turkey 2016: Assessing the Implementation of the Small Business Act for Europe*, OECD Publishing, Paris

[17] European Commission (2015), *Better Regulation Guidelines* and *Better Regulation "Toolbox"*

Ex-ante Policy Analysis	**Integrated Impact Assessment Methodology** - Covering Economic, Environmental and Social Impacts
Ex-post policy analysis	**Integrated Evaluation Methodology** - Covering Economic, Environmental and Social Impacts - Direct link between ex-post analysis of existing policies and legislation to preparation phase for improved policies and legislation

The Government of Kosovo is proud that the country can build on an existing approach to policy analysis when introducing IA, as acknowledged also in the 2016 EU Progress Report.[18] Kosovo has already established a procedure for ex-ante analysis through its process of developing Concept Documents. These documents are based, among others, on the principles of Impact Assessment and consultation.

The purpose of a Concept Document is to enable the Government to consider in general terms the objectives and main characteristics of a proposal and the possible options for addressing the identified problems. The General Secretary of the OPM has issued detailed guidelines for developing Concept Documents and has outlined the process for preparing these. The Government Coordination Secretariat is responsible for the implementation of the Concept Document approach. Concept Documents need to be drafted by line ministries and adopted by the government before work can start on a new draft law, amendments to an existing law, important secondary legislation and other important proposals with significant social, economic or other impacts.

Figure 7: Extract from the Rules of Procedure of the Government of Kosovo

Proposing institutions are required to accompany the final proposal of any draft normative act with the following documents:

- the Minister's official recommendation
- a **concept document** or explanatory memorandum
- a Financial Impact Assessment (where required) and the opinion of the Ministry of Finance
- an opinion of the Ministry of European Integrations
- an opinion from relevant offices of the Prime Minister's Office
- a table listing comments received from other institutions as defined under article 7 of the above regulation which describes the reasons as to whether the recommendations were taken into account or not
- draft Government decision
- any reports or advice from the Secretary that comes out of the General Secretaries Council.

Throughout the recent years, the Government, in particular the Government Secretariat within the OPM, has received significant support from international donors (e.g. DFID and SIGMA) to further embed the process for preparing Concept Documents; improve the

[18] European Commission (2016), *Kosovo 2016 Report, Accompanying the Communication on EU Enlargement Policy*, page 10, Brussels, Belgium

analytical quality of these documents; and related issues such as planning the development of Concept Documents. This support was provided in the form of trainings of OPM staff and line ministries; coaching of GCS officials; and specific advice on how Kosovo can further improve Concept Documents in the future.

In addition, the Swedish International Development Cooperation Agency funds an extensive project for capacity development in the field of policy development and coordination. The project started in 2016. Under this project, which lasts for four years, special attention is reserved for further improving ex-ante policy analysis conducted when proposing organisations, such as line ministries, develop Concept Documents.

With the support of the IFC, Kosovo has started the construction of the foundation that, in combination with the Sida support project, provides the opportunity for Kosovo to replace the current system of Concept Documents with an Impact Assessment system. The IFC support includes, among others, an extensive Training of Trainers programme on Regulatory Impact Assessment (RIA) and developing draft guidelines for RIA.

Kosovo aims to integrate the welcome support provided by the different donor organisations for further improving policy development procedures and practices. The government acknowledges that the current approach to ex-ante policy analysis can be strengthened by introducing an Impact Assessment system that replaces the existing system of Concept Documents. An important consideration for this step is that the IA system needs to be designed specifically for the Kosovo administration to conduct ex-ante policy and regulatory analysis on the national level. The Government of Kosovo will follow the OECD principles when improving the current system of Concept Documents and introducing Impact Assessment for policies and legislation.

Figure 8: The OECD Reference Checklist for Regulatory Decision-Making[19]

1. Is the problem correctly defined?
The problem to be solved should be precisely stated, giving evidence of its nature and magnitude, and explaining why it has arisen (identifying the incentives of affected entities).

2. Is government action justified?
Government intervention should be based on explicit evidence that government action is justified, given the nature of the problem, the likely benefits and costs of action (based on a realistic assessment of government effectiveness), and alternative mechanisms for addressing the problem.

3. Is regulation the best form of government action?
Regulators should carry out, early in the regulatory process, an informed comparison of a variety of regulatory and non-regulatory policy instruments, considering relevant issues such as costs, benefits, distributional effects and administrative requirements.

[19] OECD (1995), *The 1995 Recommendation of the Council of the OECD on Improving the Quality of Government Regulation*, Paris

4. Is there a legal basis for regulation?
Regulatory processes should be structured so that all regulatory decisions rigorously respect the "rule of law"; that is, responsibility should be explicit for ensuring that all regulations are authorised by higher-level regulations and consistent with treaty obligations, and comply with relevant legal principles such as certainty, proportionality and applicable procedural requirements.

5. What is the appropriate level (or levels) of government for this action?
Regulators should choose the most appropriate level of government to take action, or if multiple levels are involved, should design effective systems of co-ordination between levels of government.

6. Do the benefits of regulation justify the costs?
Regulators should estimate the total expected costs and benefits of each regulatory proposal and of feasible alternatives, and should make the estimates available in accessible format to decision-makers. The costs of government action should be justified by its benefits before action is taken.

7. Is the distribution of effects across society transparent?
To the extent that distributive and equity values are affected by government intervention, regulators should make transparent the distribution of regulatory costs and benefits across social groups.

8. Is the regulation clear, consistent, comprehensible and accessible to users?
Regulators should assess whether rules will be understood by likely users, and to that end should take steps to ensure that the text and structure of rules are as clear as possible.

9. Have all interested parties had the opportunity to present their views?
Regulations should be developed in an open and transparent fashion, with appropriate procedures for effective and timely input from interested parties such as affected businesses and trade unions, other interest groups, or other levels of government.

10. How will compliance be achieved?
Regulators should assess the incentives and institutions through which the regulation will take effect, and should design responsive implementation strategies that make the best use of them.

Introducing the Impact Assessment system needs to be planned well. The Government of Kosovo regards it as essential to ensure that the process for developing policies and legislation in Kosovo is effectively streamlined. This means that the current process and assigned responsibilities for developing Concept Documents serve as the framework upon which Impact Assessment will be based. As an intermediate step, the guidelines for developing Concept Documents will be adjusted in order to ensure that the introduction of a full Impact Assessment system runs smoothly. This opportunity will be used to introduce additional analytical tools such as the SME Test based on the approach developed by the European

Commission[20] that takes into account the high number of single person companies in Kosovo[21]. In addition, a regulatory competitiveness test will become an obligatory segment for policy analysis. Under these two tests, specific attention will be given to requirements related to licenses and permits. Gender Equality Analysis, as a crosscutting issue, will be introduced as Gender Impact Assessment and will cover all dimensions of ex-ante policy analysis. For this latter analytical tool specifically, the position of the Agency for Gender Equality of Kosovo in the policy development process will be strengthened[22].

Figure 9: Gender Impact Assessment

Gender Impact Assessment (GIA) will be introduced as an ex-ante policy analysis tool alongside other proposed tools in the framework of the Kosovo's system of Concept Documents and the future introduction of Impact Assessment. The analysis aims at preventing unintended negative and strengthening the intended positive consequences, including women empowerment, of proposed policies and legislation that affects the already existing inequalities between man and women in society. Furthermore, the tool is meant to bring to the fore the different effects of a proposal on men and women, should provide the information on whether the proposed initiative adequately ensures the closing of the inequality gaps between both groups, whether improvements can be made to foster gender equality and whether the proposal corresponds to gender equality principles and Kosovo's national gender equality agenda.

The Agency for Gender Equality will take the lead in the development of the GIA tools and guidelines and it will be supported in this undertaking by the Sida funded project for the institutional strengthening of Kosovo's national gender mechanisms. As GIA is not an easy task, resources need to be developed in the form of guidelines and tools and awareness needs to be raised on the importance of the inclusion of the gender equality perspective in the earliest phases of policy development. GIA requires the build-up of expertise that should not be integrated only into the Agency for Gender Equality and the gender focal points that have been set up on central and local level within the Kosovo public administration. Policy-makers need to acquire the required knowledge and develop the necessary expertise on Gender Impact Assessment that is needed to develop comprehensive and inclusive policies for all. Therefore, the Agency not only plans to continue increasing its own capacities to provide robust analysis from the gender perspective, but also has embarked on activities that will result in the development and design of the Gender Impact Assessment tools. This will be combined with a well-designed agenda to foster the development of the necessary skills and knowledge of policy-makers and officials to ensure that gender equality is a key pillar of the policy development process in Kosovo.

[20] European Commission (2015), *Better Regulation "Toolbox"*, Tool #19: The "SME Test"

[21] Business Registration Agency of Kosovo / Ministry of Trade and Industry (2016*), Basic performance indicators for registration of businesses in Kosovo*, Pristina, Kosovo

[22] Kosovo can build on direct support to the Agency on Gender Equality from the Swedish International Development Cooperation Agency on improving Gender Equality Analysis.

The Government of Kosovo acknowledges that the Rules of Procedure will have to be adapted to introduce Impact Assessment as the foundation for ex-ante policy analysis. It will task the Government Coordination Secretariat with the preparation of the changes to the Rules of Procedure. The Secretariat can build on the long-term support provided by Sida for this complex and highly relevant process. The process of introducing Impact Assessment should be completed by 2020 the latest and earlier when this proves possible and appropriate. In order to ensure that Impact Assessment and other aspects of this strategy can be implemented, staffing levels at the OPM will be analysed and brought in line with the actual staffing needs to make Better Regulation a success in Kosovo.

The introduction deadline for Impact Assessment can also build on IFC support in relation to the development of RIAs in pilot form. The legislative acts that will be part of the piloting of RIA will be selected based on consultations with relevant stakeholders. The lessons learned during these pilots will provide an important basis for the decisions on the introduction of Impact Assessment as the guiding principle for ex-ante policy analysis in Kosovo.

To prepare for the introduction of Impact Assessment, an extensive training programme will be rolled out in order to support Centre of Government Institutions and line ministries with increasing their capacities for ex-ante policy analysis. These trainings will be organised for officials working at relevant departments within the Centre of Government and line ministries, such as Legal Offices, Departments for European Integration and Policy Coordination, Gender Equality specialists and officials involved in policy development.

Figure 10: The training curriculum supported by the Swedish International Development Cooperation Agency

Overview of possible topics covered by trainings, ToTs and mentoring activities linked to ex-ante policy analysis that will be developed under the coordination of the Government Coordination Secretariat in close cooperation with other government offices:

1) public and internal consultation;
2) stakeholder identification;
3) problem definition;
4) identification of policy options, including non-regulatory options;
5) impact analysis in the economic, social and environmental areas;
6) Standard Cost Model application;
7) SME Test;
8) option selection;
9) implementation activity plan;
10) budget impact assessment;
11) fiscal impact assessment;
12) gender equality analysis;
13) conflict sensitivity analysis;
14) policy communication

Figure 11: Indicators for assessing progress achieved under Specific Objective 1.2

1) Increased capacities for policy development within the CoG institutions and all line ministries through training and Training-of-Trainers programmes: 25% of relevant staff trained by 2018 and 75% by 2021; 15 additional trainers certified through ToT on IA by 2021
2) Adoption of Rules of Procedures of the Government of Kosovo that replace the current system of Concept Documents with an Impact Assessment system by 2020 the latest; line ministries apply Impact Assessment for ex-ante policy analysis to support government decisions from 2021 onwards.
3) Policy development will be more evidence-based and IA will be used regularly by ministries (SIGMA indicator)

SPECIFIC OBJECTIVE 1.3: IMPROVED DATA/STATISTICS

High quality data are essential to improve policy development and ensure that the government's decisions are evidence-based and build on sound information. The introduction of the Standard Cost Model in Kosovo and the aim to replace the current system for developing Concept Documents with an Impact Assessment system are, in part, dependent on the possibilities of the administration to access and apply the information that is needed to prepare the decision-making of the government.

Before the SCM can be used in policy development, several practical and technical preconditions need to be met. These are straight-forward and are not very complex. The Government of Kosovo will ensure that the standardised value of the wage-component in the Standard Cost Model will be available. In addition, it will assess the possibility to determine the number companies in specific sectors. It is already clear that conducting interviews with companies to determine the specific information on the time needed to comply with information obligations will not be easy to organise. To this end, the government will consider options such as the use of expert groups to provide the necessary data. The possibility to run specific pilot projects on SCM measurements will be considered as well.

The introduction of Impact Assessment poses specific challenges with regards to data availability. That there is a need for information is clear. However, from the perspective of policy analysis, it is not clear enough how much information and what kind of information is available within the administration. In addition, policy officials might not be aware of public information sources or lack the capacities to use them effectively.

If the situation permits, the Government of Kosovo would like to develop a database with data that is specifically relevant in the context of Impact Assessment. Such a database, combined with an effective roll-out of information to the line ministries, would enable policy officials in Kosovo to work with a comprehensive information overview. It would also render the data that the government is using for policy analysis and impact assessment public and accessible to all interested stakeholders. At this stage, the Kosovo administration does not have a clear overview of the information that such an IA database should contain and which information and detailed statistics are already generated by the Kosovo administration, Civil Society Organisations and others that could feed into the database. Therefore, the coming two years the GCS and LO will collect the relevant information in order to assess how an IA database should look like and what information it should contain.

Figure 12: Indicators for assessing progress achieved under Specific Objective 1.3

1) Standardised data for SCM calculations is made available to line ministries in 2017 in order to ensure that the SCM can be used in policy development
2) Development, by 2020, of an IA database which is used by line ministries during policy development (data will thus be reflected in the analysis) and which is based on an overview of statistics and information necessary to better conduct Impact Assessment
3) In 2020, 50% of Concept Documents/Impact Assessment will indicate what information from the database was used and which information should be added in the database; in 2021, this number increases to 80%

SPECIFIC OBJECTIVE 1.4: EVALUATION

Evaluation closes the policy cycle and links the implementation of legislation to improving rules that have been in place for long enough to assess whether the expected effects did indeed materialise. Evaluation provides the tools to continuously assess the quality of the policy and legislative framework. This provides the evidence to determine whether existing rules are still fit for purpose. The European Commission has embedded evaluation within its policy development process under the 'evaluate first' principle.[23] The United Kingdom, to name just one other example, invests significant resources into policy evaluation as part of its approach to improve evidence-based policy making.[24]

Evaluation provides the chance to adapt the policy framework and to improve existing policies, laws and sublegal acts. If the expected effects indeed did occur and the policy works as intended, evaluation enables learning lessons from good legislative design and implementation practice. These lessons are valuable for policy development in other areas. At the same time, when evaluation shows that the intended effects did not materialise as predicted, evaluation allows the government to reconsider the tools, legal and otherwise, that have (not) been used.

Kosovo adopted the Guidelines on Ex-Post Evaluation of Legislation on 15 July 2015. These guidelines set out how, among others, an evaluation has to be performed, what issues need to be looked at and what evaluation questions need to be answered. The Legal Office is in charge of implementing these guidelines. For this task, it received direct support from the OSCE. Further support needs to be secured in order to move forward on this issue.

Under the assumption that support will be obtained, the Legal Office within the OPM will develop an Evaluation plan each year. The LO will ensure training of the officers that need to conduct the evaluations. Eventually, the evaluation requirement should be rolled out to all line ministries. During this process an assessment will be made as to how the evaluation requirement can be expanded to other regulatory authorities as well. Based on an extensive evaluation of the 'Kosovo experience with Evaluation', Kosovo wants to embed the 'evaluate first' principle further in its policy development process and ensure that the link between ex-ante and ex-post policy analysis is embedded effectively into the working practices and procedures of the government. During this evaluation the Government of Kosovo will also decide on practical process issues such as defining the need for evaluation, embedding public consultation into the evaluation process and determining the best dissemination process. The link between Evaluation and Impact Assessment as defined by the European Commission is guiding in this respect.[25]

The evaluation activities in Kosovo are currently focussed on legislation. Yet, legislation – and other policy measures – is planned for in medium-term planning documents such as

[23] European Commission (2015), Better Regulation Guidelines and Better Regulation "Toolbox"
[24] National Audit Office (2013), *Report on Evaluation in Government*
[25] European Commission (2015), *Better Regulation Guidelines* and *Better Regulation "Toolbox"*

strategies. The goals set in these documents are currently not systematically reported on or evaluated.[26] The Government of Kosovo wants to increase its understanding of how strategies performed in practice, how well they reached the set goals and how well the government delivered on its commitments. To this end, evaluation expertise within the relevant Centre of Government institutions will be developed.

Figure 13: Indicators for assessing progress achieved under Specific Objective 1.4

1) At least 3 legislative evaluations are conducted in 2017, at least 5 in 2018, at least 7 in 2019 and at least 12 or more the years afterwards
2) Evaluation findings are used to improve existing legislation; the process for this is established by 2018; by 2021, evaluation is embedded within the RoP and all evaluations will be published with an explanation regarding the future steps that will be taken
3) Relevant staff at CoG institutions and line ministries develop capacities for legislative evaluation: 25% trained by 2019 and 75% trained by 2021
4) Relevant staff at CoG institutions and line ministries develop expertise on the evaluation of strategies and policies 10% by 2019 and 40% by 2021

[26] SIGMA (2015), *Baseline Measurement Report, Principles of Public Administration, Kosovo April 2015*

GENERAL OBJECTIVE 2) EFFECTIVE PUBLIC COMMUNICATION, PUBLIC CONSULTATION AND PARTICIPATION OF STAKEHOLDERS

SPECIFIC OBJECTIVE 2.1: IMPROVED POLICY COMMUNICATION

In order for the public and stakeholders to be able to get involved in policy development, the Government needs to ensure that communication during the policy development process and during the implementation stage is further improved. The importance of policy communication is underlined by the decision of the European Union to regard policy communication as a strategic objective and by all the activities that followed from this decision.[27]

Communication is essential to ensure that the public and stakeholders are informed about the policy goals that the Government aims to achieve; that they have timely information about the policy measures that the Government considers to actually reach these goals; and that they are provided with sufficient opportunities to prepare for their participation in the development of strategies, Concept Documents, legislative proposals and other government decisions based on a reasoned and well-informed choice to do so. In addition, after the government has adopted policies and legislation, effective communication needs to ensure that the target groups and stakeholders know what their rights, possibilities and obligations are.

Currently, the system of public communication is not properly linked with the system of policy development and coordination. Policy documents are not followed with a communication plan due to the general lack of coordination between institutions. This is also due to the treatment of the communication agenda as a separate process from other work processes of the Government. Coordination of communication and its integration in the process of policy-making needs to be improved. Communication planning through, for example, development of communication plans for policy priorities remains an ongoing challenge.[28]

Unfortunately, policy communication in Kosovo falls currently short of what the Government had foreseen when the Rules of Procedure of the Government were adopted. Some of these reasons, such as insufficient staffing levels and a lack of expertise and ways to increase capacities, are clear. Yet, in order to understand the shortcomings in detail and to be able to develop a proper response to address the shortcomings, the Government of Kosovo will review the current framework for policy communication in Kosovo. This review will cover the

[27] See among others: European Commission (2005), *Action Plan to Improve Communication Europe by the Commission*, SEC(2005) 985 final
And
European Commission (2006), *White Paper on a European communication policy*, COM(2006) 35 final

[28] Comprehensive Report on Implementation of the Strategy of Public Administration Reform 2010-2013, pages 31-33
Link: http://map.rks-gov.net/getattachment/d70e262d-a936-47a8-94a2-f92fce625efb/Raporti-gjithperfshires-mbi-zbatimin-Strategjise-d.aspx

OPM and all line ministries. The review will assess in how far the rules and procedures for policy communication have been implemented; how appropriate these rules are given the environment in which policy communication needs to take place; and how the identified shortcomings might be remedied.

The view that policy communication does not function as foreseen is also expressed by SIGMA in its monitoring report for 2016 on Kosovo. SIGMA acknowledges that the role of the Public Communication Office is mainly providing access to information and that Kosovo lacks a coordinated approach to communication. Neither is there clear focus on communication during the policy development process since Concept Documents do not routinely set out how new policies are to be communicated to the public.[29] The Government of Kosovo takes this assessment serious and commits to improving upon the current situation.

The view of the Government of Kosovo is that improving policy communication means coordinating the communication activities between government institutions, developing a ToT on policy communication; effectively communicating on government priorities; communicating broadly on the most important activities presented in the Government Annual Work Plan; and ensuring that every Concept Document lists the communication activities that are deemed relevant and appropriate for the file at hand.

The Government of Kosovo is realistic with regards to its aims in the field of improving policy communication. The review of current practices and the framework for improvements will be based on an analysis that will be conducted through the development of a Concept Document. This analysis will provide the basis for a more detailed Action Plan for improving Policy Communication in Kosovo.

The foreseen Concept Document and Action Plan will provide the basis for concrete commitments to improve policy communication in Kosovo through capacity development, changes to rules, the design and implementation of potential new working practices and more. Therefore, more specific activities and commitments will be presented in the Concept Document and Action Plan, together with indicators to monitor progress.

Figure 14: Indicators for assessing progress achieved under Specific Objective 2.1

1) Adoption of the Concept Document and Action Plan on Improving Policy Communication in Kosovo, including identifying indicators to assess progress
2) Developing policy communication capacities through trainings: at least 5 trainers certified through a ToT by 2017; 50% of relevant communication staff at CoG institutions and line ministries trained by 2018 (100% by 2021); 75% of relevant policy development staff at CoG institutions and line ministries trained by 2021

[29] SIGMA (2016), *Monitoring Report, Principles of Public Administration, Kosovo May 2016*

SPECIFIC OBJECTIVE 2.2: IMPROVED CONSULTATION

The Government of Kosovo adopted the Minimum standards for Consultation in 2016.[30] With support by the European Union, the Office for Good Governance developed trainings for staff at the Centre of Government Institutions and line ministries that are directly affected by the requirements that have been laid down in these Minimum Standards. In addition, this support enables the development of an online consultation platform that facilitates public consultation – in draft form – of most decisions that the government is planning to take.

Figure 15: Minimum Standards for Consultation

According to the Minimum standards for Consultation the following documents should be subject to public consultation:

1. The draft annual plans of public bodies;
2. Draft Annual Plan of the Strategic Documents;
3. Draft Legislative Program of the Government;
4. Draft Plan of the secondary legislation;
5. Draft list of concept documents;
6. Draft Concept Documents;
7. Draft Normative Acts;
8. Draft Strategies and
9. All other documents which must be accompanied by Explanatory Memorandum or to which public consultation is required.

However, the Government of Kosovo is fully aware that consultation during the policy development process needs to be deeply embedded within the working culture and practices of the administration. Significant support in this respect is being provided by the EU funded project Support to the implementation of the Government Strategy for Cooperation with Civil Society. This support is expected to continue until March 2017.

With regards to this, the Government sincerely appreciates the support that will be provided by the Swedish International Development Cooperation Agency in the framework of the support project on improving policy development and coordination. The Office of Good Governance and the Government Coordination Secretariat (which is the main beneficiary of the Sida support) have agreed that the training activities on consultation will be continued. The circle of civil servants that have been trained on consultation can thus keep expanding.

In addition, the Government of Kosovo is committed to strengthen the approach to consultation for all major decisions. This means that consultations will be an obligatory activity during the development of strategies, Concept Documents and legislative proposals. Consultation also will be an integral part of Impact Assessment.

Furthermore, the Government of Kosovo aims to ensure that public consultation takes place not just at the end of the process for developing draft government decisions. Effective public consultation needs to be an integral part of policy development. This means that consultation

[30] Regulation no. 05/2016 on minimum standards for public consultation process was approved by the Government of Kosovo on 29 April 2016.

should start already at the earliest stages of policy development. To this end, significant efforts will be invested in the consultation activities that will be conducted during the development of Concept Documents and the RIA pilot.

Figure 16: Indicators for assessing progress achieved under Specific Objective 2.2

1) Increased capacities of staff at CoG institutions and line ministries with regards to consultation; at least 10% of relevant staff members from each line ministry are trained by 2018 and at least 75% by 2021; all relevant CoG staff has been trained on consultation by 2018
2) Level of compliance – 100% by 2019 – with the Minimum Standards for consultation for all relevant government decisions based on OGG reporting
3) Effectiveness of public consultation in developing policies and legislation increases (SIGMA indicator)

SPECIFIC OBJECTIVE 2.3: IMPROVED WORK PLANNING

The Government of Kosovo works with a series of planning documents that structure and defines the future framework for government actions and the government's commitments. These medium-term planning documents are currently the National Development Strategy (NDS), the National Plan for the Implementation of the SAA (NPISAA), the Economic Reform Programme (ERP) and strategies developed for policies. These and other commitments are combined on an annual basis in the Government's Annual Work Plan.

While the different planning documents have a multiannual perspective, the GAWP does not yet have a forward projection. The Government of Kosovo wants to improve on the current practice and ensure that the commitments listed in the different medium-term planning documents are combined under a multiannual projection of the GAWP in which the government priorities are presented. The document that will combine all the made commitments into one overview will be referred to the Indicative Forward Work Planning (IFWP) and will be directly linked to the GAWP. The IFWP will not develop new commitments. It will only integrate the activities that are already planned into a single framework.

A comprehensive overview of the government's commitments over an extended period will enhance transparency of the government's work. It will enable stakeholders to identify which specific issues the government will work on in the near future. This openness should contribute to the possibilities of stakeholders to prepare for and participate in public consultation activities that will be increasingly organised in Kosovo. Since this forward planning would enable the development of a multiannual work planning for drafting legislation in the form of a multiannual Legislative Plan and a multi-annual plan for developing Concept Documents, the IFWP would directly contribute to making Better Regulation work in practice.

The IFWP also needs to serve as a source document in relation to the different activities needed to present a proposal for adoption to the government. For example, drafting a Concept Document and a legislative proposal after this document has been adopted, is currently planned on an annual basis. Yet, there is a substantial and persistent backlog in the development of these documents.[31] Since the planning commitments are made in the source documents of the GAWP, the realistic planning level of these medium-term planning documents combined define whether the GAWP can be realistically planned. The IFWP will provide the Government of Kosovo and stakeholders with the insight needed on whether the planned activities are in their entirety implementable.

A multiannual overview of the government's commitments will enable the work planning to be more effective and ensure that work on relevant analysis can start more in line with the demands of the files that this analysis is made for. In the light of the commitment of the Government of Kosovo to replace the current system for developing Concept Documents with an Impact Assessment System, the IFWP is needed to ensure that the impact analysis is given the time that is required to ensure the highest possible analytical quality.

[31] SIGMA (2015), Baseline Measurement Report, Principles of Public Administration, Kosovo April 2015

In order to prepare for the introduction of the IFWP, the Government of Kosovo will develop a Concept Document on the design, structure and use of Indicative Forward Work Planning. After adoption of this document, the IFWP itself will be developed.

Figure 17: Indicators for assessing progress achieved under Specific Objective 2.3

1) Develop and adopt the Concept Document on the Indicative Forward Work Plan by 2017
2) Develop the Indicative Forward Work Plan during 2018 and 2019
3) Increased planning quality for the GAWP that is reflected in higher implementation rates of the government's annual priority commitments: 80% in 2018 and 90% implementation by 2021 (SIGMA indicator)

Monitoring and assessment of implementation of the Strategy

Public Administration Reform

The development and coordination of policies and legislation as coordinated by the OPM General Secretary, is one of the three pillars of Public Administration Reform (PAR) hence the institutional structures for the implementation of the Better Regulation Strategy 2.0 for Kosovo 2017-2021 will be in line with PAR reform structures.

The PAR institutional management structure is established by the Government, namely Decision no. 05/09 (dated 21/01/2015) on organization and functioning of the Council of Ministers for ensuring the implementation of PAR and decision no. 09/13 (dated 12/02/2015) on organization and functioning of structures for the implementation of strategic PAR documents, which as the main mechanism for supervising the implementation of PAR establish the Council of Ministers for Public Administration Reform, is chaired by the Minister of Public Administration and composed of Minister of Finance, Minister of European Integration, Minister of Local Self-Government, Minister of Trade and Industry and a political representative from the Office of Prime Minister.

The administration and coordination of monitoring the implementation of PAR at a technical level, is divided amongst three institutions:

- The Office of the Prime Minister responsible for the reforms regarding the development and coordination of policies and legislation; coordinated by the General Secretary of the OPM.
- Ministry of Public Administration responsible for the civil service, provision of services, accountability and organization of Public Administration; coordinated by the MPA General Secretary.
- Ministry of Finance responsible for the reforms regarding the Management of Public Finances, coordinated by the MF Permanent Secretary.

The responsibility for implementing and reporting in the area of development and coordination of policies and legislation remains within the competencies of the General Secretary of the OPM. However, the CMPAR is responsible to ensure that all PAR pillars establish coherent monitoring and reporting pillars, which implies that the reporting methodologies established by the MPA are valid for all the pillars and reporting institutions throughout same timelines.

Strategy monitoring and reporting

The Better Regulation Strategy 2.0 for Kosovo 2017-2021 in its composition has an action plan which covers the period 2017-2019 and contains activities, indicators, responsible implementing institutions and implementation financial costs. The strategy action plan will be reviewed every two years within the monitoring planning established for the Strategy.

The structure for monitoring the implementation of the Better Regulation Strategy 2.0 for Kosovo is composed by the measurement indictors which are set at the level of specific objectives within the strategy, for year 2018 and 2021. One specific objective contains more

than one indicator with outcome indicators that are mainly based on SIGMA indicators, based on principles that cover main horizontal levels of governing system, which determine the overall performance of public administration and in this case regard the development and coordination of policies. However, some of the indicators have been set by the administration, in agreement with each relevant institution.

The strategy uses 2016 as a baseline year. However, in some cases the baseline value is from 2015 since this was the year of the latest SIGMA baseline assessment for Kosovo. Indicators that are particular relevance for monitoring implementation of the Better Regulation Strategy 2.0 for Kosovo are quantitative indicators based on SIGMA categorization. Though, some of the specific objectives include also qualitative and output indicators.

SIGMA methodology on measurement of quantitative or qualitative indicators is as follows:

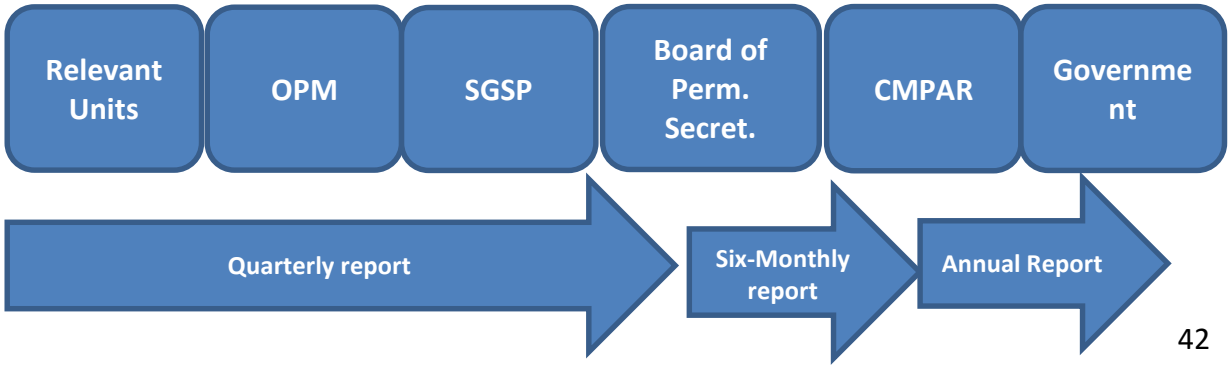
- ranking from 0 to 5, whereby 0 shows the lowest progress levels while 5 is the highest progress in the respective area subject to assessment;
- assessment based on percentage, which presents the level of progress based on percentage of progress in the respective area subject to assessment.

Monitoring of implementation progress and achievements of the Better Regulation Strategy 2.0 for Kosovo will be communicated to the relevant instances on regular basis and when necessary also to the public.

For monitoring the implementation of the Strategy, the responsible body will be Steering Group on Strategic Planning (SGSP) which is composed of high technical level representatives of the OPM, MF, MEI, MPA and MED.

The Concept Document on the System of Monitoring and Assessment for the Public Administration Reform 2015-2020 in Kosovo establishes the main features for PAR monitoring and reporting, which are developed for the Strategy on Modernisation of Public Administration, including preparation of quarterly, six-monthly and annual reports. This includes the timelines for the preparation of the reports and reporting formats which are valid for the monitoring and reporting on the Better Regulation Strategy 2.0 for Kosovo 2017-2021. Quarterly, six-monthly and annual reports from the three institutions (OPM, MPA and MF) will be discussed during the meeting of the Council of Ministers for Public Administration Reform (CMPAR), working groups under the relevant pillar, in this case the Steering Group on Strategic Planning (SGSP) and Council of Secretaries-General. The annual monitoring and update report will be discussed and approved by the Government and will be published.

Figure 18: BRS Reporting Overview



Progress monitoring will be based on indicators. Specific definition and the measurement methodology will be developed further within the “Passport of Indicators”. The passport of indicators will include also a risk assessment on achieving of the objective for each indicator/achievement.
Monitoring and reporting will be coordinated with the monitoring and reporting of Strategy for Improvement of Policy Planning and Coordination (Integrated Planning System) 2017-2021 as both strategies are part of the OPM strategic planning framework.

Medium term review of the Strategy

Better Regulation Strategy 2.0 for Kosovo will be accompanied with Action Plan 2017-2019 which will be updated on annual basis. BRS will have a medium term and a final evaluation. In this regard, along with the report for 2018, the GCS will undertake a medium term review process for the objectives and indicators. Medium term and final assessment of the strategy will focus on the following dimensions: implementation of the Strategy and Action Plan as well as the relevance of interventions in order to achieve the intended results and objectives. The evaluation and review process of the BRS will be linked also with the reviews and assessments within the PAR Reform, as well as assessments from SIGMA and other organizations.

Financial Impact of the strategy's implementation

Better Regulation Strategy 2.0 has been updated with objectives and actions that are more realistic and more achievable than the previous version. The aim during the process of drafting the Better Regulation Strategy 2.0 was to make it more specific, with clear activities that would facilitate the costing to understand the financial part of the strategy. The structure of the strategy, which specific objectives, measures and targets, with definition of specific activities in the Action Plan, resulted with following financial information.

The costs for implementation of the strategy are presented at strategy level with defined funding sources for the period covered by the Action Plan.

Figure 20: Cost overview for the BRS

Summary Cost of Strategy	**Year 1**	**Year 2**	**Year 3**
	809.430	**567.150**	**920.490**
Committed Expertise Support	85.900	30.100	30.100
Committed Budget Support	145.250	89.250	89.250
Potential Funding Opportunity for Donors	553.280	406.000	699.560
Kosovo Budget	25.000	41.800	101.580

From the table above one can see that the highest cost are planned to occur in the first and third year of the strategy. Improving Kosovo's competitiveness is the activity that consumes most of the resources, while on year 3, it is the introduction of Administrative Burden Reduction based on the Standard Cost Model that is projected to consume most of the resources. However, the arrangements for this needs to be thoroughly analyzed and specified in a concept document, the cost of which is part of the totals provided in the table above.

Action Plan

Objective 1: An enabling regulatory system

Sub-objective 1.1: Reforms of existing primary and secondary legislation to enhance competitiveness

Objective 1: An enabling regulatory system				
Sub-objective 1.1	Indicator(s) to measure achievement of the objective	Baseline 2016	Target 2018	Target 2021
Reforms of existing primary and secondary legislation to enhance competitiveness	1) Adoption of Concept Document on administrative burden reduction programme 2) Develop SCM capacities 3) Start of an administrative burden reduction programme 4) Burden reduction achievements set against a baseline	- No effective programme design for administrative burden reduction exists - No SCM trainings exist - No staff has been certified through a ToT on SCM - SCM not part of policy development	- Capacities on administrative burden and SCM under development (ToT has been developed and organized; at least 5 trainers have been certified; 20% of relevant staff at CoG and line ministries trained) - SCM introduced in guidelines for policy development (30% of relevant CDs contain section on administrative burden with SCM measurement)	- Capacities fully developed (90% of relevant staff at CoG and line ministries are trained) - SCM introduced in guidelines for policy development (100% of relevant CDs contain section on administrative burden with SCM measurement)

Activities	Milestones			Institutions		Budget provision
	2017	2018	2019	Lead	Support	
1.1.1 Prepare the government's decision on administrative burden reduction programme and legislative consolidation	- Start of Concept Document preparation, including international outreach	- Adoption of Concept Document by the GoK	- Further activities based on the approach chosen by the GoK	GCS in cooperation with SPO, LO, MEI and MoF	Sida	Sida
1.1.2 Introduce SCM into policy development	- Integrate SCM into guidelines for developing Concept Documents	- SCM measurements in 30 % of Concept Documents that deal with IOs for businesses	- SCM measurements in 50% of Concept Documents that deal with IOs for businesses	GCS	Sida	Sida
1.1.3 Ensure SCM application during RIA pilots	- All RIA pilots contain SCM measurements	- All RIA pilots contain SCM measurements	- All RIA pilots contain SCM measurements	LO	IFC	IFC
1.1.4 Develop capacities for SCM measurements	- Adopt SCM manual - Adopt standardised SCM values - Train relevant staff - Develop ToT	- Trainings held - ToT held and trainers certified	- ToT held and additional trainers certified - Certified trainers continue trainings on SCM	GCS	Sida	Sida

Sub-objective 1.2: Introducing Impact Assessment

<table>
<tr><td colspan="7">Objective 1: An enabling regulatory system</td></tr>
<tr><td colspan="2">Sub-objective 1.2</td><td colspan="2">Indicator(s) to measure achievement of the objective</td><td>Baseline 2016</td><td>Target 2018</td><td>Target 2021</td></tr>
<tr><td colspan="2">Introducing Impact Assessment</td><td colspan="2">1) Increased capacities for policy development at CoG institutions and line ministries
2) Preparation and adoption RoP to replace Concept Documents with IA
3) Policy development will become more evidence-based and IA will be used regularly by line ministries</td><td>- No comprehensive training plan for policy development exists

- System for developing Concept Documents instead of IA

- Score 3 on SIGMA indicator ‘Extent to which policy development process makes the best use of analytical tools’</td><td>- Comprehensive training plan set up; trainings have started and 25% of relevant CoG and line ministries trained

- Preparations made to introduce IA

- Score 3</td><td>- 75% of relevant staff at CoG and line ministries trained; 15 additional certified trainers through ToT on IA

- IA is embedded in RoP and IAs are produced by line ministries

- Score 4</td></tr>
<tr><td rowspan="2">Activities</td><td colspan="3">Milestones</td><td colspan="2">Institutions</td><td rowspan="2">Budget provision</td></tr>
<tr><td>2017</td><td>2018</td><td>2019</td><td>Lead</td><td>Support</td></tr>
<tr><td>1.2.1 ToT on RIA</td><td>- ToT organised and trainers certified
- Certified trainers provide RIA trainings to</td><td>- Certified trainers provide RIA trainings to Kosovo administration</td><td>- ToT organised and trainers certified
- Certified trainers provide RIA trainings to Kosovo administration</td><td>LO and GCS</td><td>IFC</td><td>IFC</td></tr>
</table>

	Kosovo administration					
1.2.2 Relevant staff at CoG institutions and line ministries are trained in policy development	- Training programme set up - Relevant other ToTs identified	- ToTs held and trainers are certified - Trainers train relevant staff at CoG institutions and line ministries	- ToTs held and additional trainers are certified - Trainers train relevant staff at CoG institutions and line ministries	GCS	Sida	Sida
1.2.3 Develop RIA pilots	- RIA pilots identified at the start of the year - At least 3 RIA pilots held	- RIA pilots identified at the start of the year - At least 3 RIA pilots held	- RIA pilots identified at the start of the year - At least 3 RIA pilots held	LO and GCS	IFC	IFC
1.2.4 Adapt guidelines for developing Concept Documents as intermediate step for introducing IA	- Guidelines are adopted after internal and external consultation - Concept documents start to be developed based on new guidelines	- All concept documents are developed based on new guidelines - New analytical tools are introduced in policy development (GEA, SME Test)	- All concept documents are developed based on new guidelines - New analytical tools are used in policy development	GCS	Sida	Sida
1.2.5 Assess staffing numbers at OPM offices with regards to	- Assessment starts	- Assessment is completed - Plan to address the assessment's	- Plan to adjust to the assessment's outcome is adopted and implemented	GCS	Sida	Sida

proper implementation of the BRS and SIPPC, including the option to establish a Unit for Impact Assessment and Better Regulation within the GCS		findings is developed				
1.2.6 Introducing Gender Impact Assessment	- AGE develops the Gender Impact Assessment toolkit - AGE selects relevant CDs at the start of the year - AGE comments on all CDs for which Gender Equality Analysis is relevant - AGE participates in most relevant CD working groups	- AGE selects relevant CDs at the start of the year - AGE comments on all CDs for which Gender Equality Analysis is relevant - AGE participates in most relevant CD working groups	- AGE selects relevant CDs at the start of the year - AGE comments on all CDs for which Gender Equality Analysis is relevant - AGE participates in most relevant CD working groups	AGE	Sida	Sida

1.2.7 Review RoP to introduce IA and Evaluation		- Review starts	- Proposal to update RoP is prepared for adoption by the government	GCS	Sida	Sida

Sub-objective 1.3: Improved data/statistics

Objective 1: An enabling regulatory system						
Sub-objective 1.3		Indicator(s) to measure achievement of the objective		Baseline 2016	Target 2018	Target 2021
Improved data/statistics		- Standardised data for SCM calculations is available - IA database is developed - Insight into data need for improving ex-ante analysis and evidence-based decision-making		- No SCM standardised data exists - No IA database exists - No clear overview of information needed for ex-ante policy analysis	- Standardised SCM data fully available - IA database being set up - no change	- IA database exists and is used - 80% of all Impact Assessment indicate what information from the database was used and which information should be added
Activities	Milestones			Institutions		Budget provision
	2017	2018	2019	Lead	Support	
1.3.1 Develop and approve SCM manual for Kosovo	- Manual is approved	- Manual is used	- Manual is used	GCS	Sida	Sida

1.3.2 Developing IA database	- Develop an overview of the database and information held by line ministries, agencies and other relevant public bodies - Define structure of, content of and responsibility for the database - Needs for information to be added in the database defined on information need during CD development and RIA pilots	- Finalise overview of data held by public bodies - Set up the database - Needs for information to be added in the database defined on information need during CD development and RIA pilots	- Database functions and is developed further on concrete needs - Trainings to use database are held - Information from the database is used in policy development - Needs for information to be added in the database defined on information need during CD development and RIA pilots	GCS and LO	Sida on development and design, costs for database itself are not yet covered	Sida on development and design, costs for database itself are not yet covered

Sub-objective 1.4: Evaluation

<table>
<tr><td colspan="7">Objective 1: An enabling regulatory system</td></tr>
<tr><td colspan="2">Sub-objective 1.4</td><td colspan="2">Indicator(s) to measure achievement of the objective</td><td>Baseline 2016</td><td>Target 2018</td><td>Target 2021</td></tr>
<tr><td colspan="2">Evaluation</td><td colspan="2">- Evaluations are conducted annually
- The process of using evaluation findings to improve existing legislation is established
- Capacities on Evaluation improved at CoG institutions and line ministries
- Evaluation introduced in RoP</td><td>- Evaluations not used systematically in policy development
- Evaluation capacities lacking at CoG and line ministries</td><td>- Training of relevant staff on legislative evaluation has started (ToT has been organised; at least 10% of relevant staff at each line ministry and each relevant CoG institutions have been trained)</td><td>- Capacities for legislative evaluation are developed (ToT has been organised twice; 75% of relevant staff at line ministries and CoG trained by 2021)

- 40% of relevant staff at CoG institutions and line ministries trained on evaluation of strategies and policies

- Evaluation is systematically used</td></tr>
<tr><td rowspan="2">Activities</td><td colspan="3">Milestones</td><td colspan="2">Institutions</td><td rowspan="2">Budget provision</td></tr>
<tr><td>2017</td><td>2018</td><td>2019</td><td>Lead</td><td>Support</td></tr>
<tr><td>1.4.1 Evaluation pilots</td><td>- At least three evaluations are conducted</td><td>- At least five evaluations are conducted</td><td>- At least seven evaluations are conducted and at</td><td>LO</td><td>No support identified yet</td><td>No support identified yet</td></tr>
</table>

			least 12 or more the years afterwards			
1.4.2 Evaluate the experience with 'Evaluation of legislation'			- Evaluation is organised and findings presented	LO	No support identified yet	No support identified yet
1.4.3 Develop capacities at CoG institutions and line ministries on Legislative Evaluation	- Train relevant staff - Develop ToT	- Trainers are trained and certified through ToT - Certified trainers provide trainings (10% of relevant staff trained)	- Additional trainers are trained and certified through ToT, 25 % trained by 2019 - Certified trainers provide trainings	LO	No support identified yet	No support identified yet
1.4.4 Develop capacities at CoG institutions and line ministries on evaluation of strategies and policies			10% of relevant staff trained			

Objective 2: Effective public communication, public consultation and participation of stakeholders

Sub-objective 2.1: Improved Policy Communication

Objective 2: Effective public communication, public consultation and participation of stakeholders						
Sub-objective 2.1		Indicator(s) to measure achievement of the objective		Baseline 2016	Target 2018	Target 2021
Improved Policy Communication		- Concept Document and Action Plan are developed - Capacity development for policy communication		- To be defined in Concept Document - No ToT exists; staff not trained	- To be defined in Concept Document - 5 ToT-certified trainers provide trainings - 50% of relevant communication staff at CoG and line ministries trained	- To be defined in Concept Document - 75% of relevant policy development staff at CoG and line ministries trained
Activities	Milestones			Institutions		Budget provision
	2017	2018	2019	Lead	Support	
2.1.1 Improving policy communication	- CD (including AP) developed and adopted, including identification of indicators	- AP is implemented	- AP is implemented	PCO	Sida	Sida
2.2.2 Strengthen capacities for policy communication	- ToT on policy communication is organised and trainers are certified	- Certified trainers provide trainings	- Certified trainers provide trainings	PCO	Sida	Sida

	At least 5 trainers certified					

Sub-objective 2.2: Improved consultation

Objective 2: Effective public communication, public consultation and participation of stakeholders						
Sub-objective 2.2		Indicator(s) to measure achievement of the objective		Baseline 2016	Target 2018	Target 2021
Improved consultation		- Increase staff capacities on consultation - Level of compliance with Minimum Standards for all relevant government decisions - Effectiveness of public consultation in developing policies and legislation increases (SIGMA indicator)		- Initial capacities have been developed through trainings - Score 3 SIGMA indicator 'Extent to which public consultation is used in developing policies and legislation'	- At least 10% of relevant staff members from each line ministry and all relevant CoG-staff have been trained on consultation - Score 4 on SIGMA indicator 'Effectiveness of public consultation in developing policies and legislation'	- At least 75% relevant staff members from each line ministry have been trained on consultation - Score 5
Activities	Milestones			Institutions		Budget provision
	2017	2018	2019	Lead	Support	
2.2.1 Increase capacities on stakeholder consultation	- Trainings are organised	- Trainings are organised	- Trainings are organised	OGG and GCS	EU Sida	EU Sida
2.2.2 Embed the Minimum Standards for Public Consultation in the	- Relevant guidelines are adapted and applied	- All relevant work processes follow the Minimum Standards for consultation	- All relevant work processes follow the Minimum Standards for consultation	OGG	-	-

relevant working processes						
2.2.3 Develop the methodology for monitoring and reporting on the implementation and level of compliance with of the consultation standards	- Monitoring methodology is adopted and applied - Monitoring report is published	- Monitoring report is published	- Monitoring report is published	OGG	-	-

Sub-objective 2.3: Improved work planning

<table>
<tr><td colspan="6">Objective 2: Effective public communication, public consultation and participation of stakeholders</td></tr>
<tr><td colspan="2">Sub-objective 2.3</td><td colspan="2">Indicator(s) to measure achievement of the objective</td><td>Baseline 2016</td><td>Target 2018</td><td>Target 2021</td></tr>
<tr><td colspan="2">Improved work planning</td><td colspan="2">- Develop and adopt CD on IFWP
- Develop the IFWP
- Increase planning quality</td><td>- No IFWP exists

- 68% implementation rate GAWP in 2015</td><td>- Design for the IFWP agreed upon

- 75% implementation rate for government priorities</td><td>- IFWP is developed and actively used as a management tool for the work planning of the government

- 85% implementation rate for government priorities</td></tr>
<tr><td rowspan="2">Activities</td><td colspan="3">Milestones</td><td colspan="2">Institutions</td><td rowspan="2">Budget provision</td></tr>
<tr><td>2017</td><td>2018</td><td>2019</td><td>Lead</td><td>Support</td></tr>
<tr><td>2.3.1 Develop the IFWP[32]</td><td>Develop and adopt CD on IFWP</td><td>Produce an example of the IFWP in pilot form</td><td>Produce the IFWP as developed in the CD</td><td>GCS</td><td>Sida</td><td>Sida (with the exception of IT tools)</td></tr>
</table>

Note: the Action Plan for the Better Regulation Strategy presents both actions that the Government of Kosovo will develop and for which funding is secured and actions that the Government would like to see developed but for which no funding has been identified yet. The implementation of these latter activities depends fully on the availability of support. In case no support is found, the activities will not be developed further or will be postponed until support is found.

[32] This activity is also foreseen in the SIPPC and will be monitored under the provisions of that strategy.

Annex 1: Preliminary cost estimation for the implementation of a programme on reducing administrative burdens in Kosovo

In order to successfully implement a programme on reducing administrative burdens of Kosovo legislation to businesses, the following assumptions are used:

1. A unit within GCS or separate Better Regulation Unit is established within the Office of the Prime Minister comprised of the following:
    a. 1 National Administrative Burden Measurement Coordinator (requires additional budget);
    24 Better Regulation Analysts / researchers (requires additional budget)
    The foreseen staff would be allocated at the GCS/Better Regulation Unit, SPO, LO and ASK;
2. 21 Line Institutions are assumed develop policies and regulate businesses that are relevant to administrative burden and the reduction programme:
    a. 15 Ministries;
    b. 6 Regulatory Agencies;
3. For each line institution, a Line Institution Coordinator is assumed to have to work full time on administrative burden measurement and the implementation of the reduction programme (additional budget required).
4. 2 IT/Software Developers needed for development of Administrative Burden MIS.
5. It is assumed that the administrative burden measurement duration will be 6 years, and be performed in following three main stages that partially overlap each other (the time frames are indicative and need to be worked out in more detail):
    a. Baseline Measurement (2 years)
    b. Reduction Proposals (4 years)
    c. Adoption (1 and a half year)
6. The expectation is that the administrative burden reduction programme needs to be supported by external expertise provided by donors for the full duration of the project, cost of which is not reflected in the table below:
    a. 2 or 3 international experts;
    b. 6 - 10 local experts.
7. Training and office establishment cost as well as office materials are needed for the entire duration of the burden reduction programme.

Based on the above assumptions, the following estimates are produced:

Figure 1: Preliminary cost of Administrative Burden Reduction based on funding through additional budget appropriation

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Total	**384.760**	**424.480**	**376.480**	**376.480**	**376.480**	**376.480**	**2.315.160**
CoG	**231.120**	**270.840**	**222.840**	**222.840**	**222.840**	**222.840**	**1.393.320**
Staff	87.420	174.840	126.840	126.840	126.840	126.840	769.620
IT System	24.000	48.000	48.000	48.000	48.000	48.000	264.000
Set up and operating cost	119.700	48.000	48.000	48.000	48.000	48.000	359.700
Line Ministry	**153.640**	**153.640**	**153.640**	**153.640**	**153.640**	**153.640**	**921.840**
Staff	143.640	143.640	143.640	143.640	143.640	143.640	861.840
Other Expenses	10.000	10.000	10.000	10.000	10.000	10.000	60.000

Note: This preliminary cost estimate is provided to inform a decision to commit to initiation of a concept document to decide whether and how the administrative reduction measures of the Better Regulation Strategy 2014, and updated draft Better Regulation Strategy 2.0 needs to be addressed. The setting of the reduction target will be based on an impact assessment (economic analysis) of the options identified during this preparation process. This table only presents the preliminary cost that likely need to be covered through additional budget appropriation. Detailed costing and impact assessment will be developed as part of the Concept Document development stage.

Annex 2: BRS costing and Assumptions (excel)