

Pursuant to Article 45 paragraph 1 of the Law on Government ("Official Gazette of RS", nos. 55/05, 71/05 - correction, 101/07 and 65/08),

The Government hereby adopts the following

REGULATORY REFORM STRATEGY
OF THE REPUBLIC OF SERBIA
FOR THE 2008 -2011 PERIOD

1. INTRODUCTION

Efficient regulations are one of the preconditions for economic development and social prosperity. The legal system conducive to economic development must be transparent, must guarantee legal security and must be efficient and based on the principles of good regulatory practice.

The studies conducted by international institutions in recent years point to the regulatory environment as one of the main obstacles to long-term and sustainable economic development of the Republic of Serbia and the fact that a great degree of inconsistency in the application of regulations and large discretionary rights of the government administration in the course of decision-making arise as key factors having a negative impact on the economic environment.¹

During the last eight years the Republic of Serbia has made significant steps in terms of improving the legal system. An intensive legislative activity is expected in the following years as well, due to the need for the completion of initiated reforms as well as the need for the harmonisation of domestic legislation with international standards, primarily the EU regulations (*acquis communautaire*). In ideal conditions, making a decision on justification of adopting new regulations should be based on quality data and thorough analysis of consequences of regulatory changes. Nevertheless, due to great pressure towards rapid modernisation of the legal system of the Republic of Serbia, due to the absence of necessary regulations or overregulation in some areas, due to a failure to identify alternatives to classic regulation forms, as well as due to a lack of appropriate

¹ Source: World Bank "Serbia - Investment Climate Assessment", Washington, D.C.: World Bank (2004), European Commission Directorate General for Enterprise and Industry and the OECD Investment Compact for South East Europe "Report on the Implementation of the European Charter for Small Enterprises in the Western Balkans" (2007), World Bank "Attracting Investment to South East Europe" Washington, D.C.: World Bank, (2007).

administrative capacities, there is a significant risk of failure to achieve the desired objectives by adopting laws and bylaws.

In practice, this means that new regulations often:

- 1) create legal insecurity (give excessive discretionary rights to government bodies);
- 2) cannot be applied (a lack of enforcement institutions or adequate funds for their application);
- 3) are not enforceable (inconsistent with other regulations, too complex and unclear);
- 4) create unnecessary costs to the private sector, thereby reducing competitiveness of the economy;
- 5) provide more favourable conditions to particular stakeholders when adopted in a non-transparent manner.

For the purpose of eliminating the mentioned consequences, the need for applying a wider range of regulatory tools and, before all, improvement of regulatory impact assessment (hereinafter: RIA) as a quality control system in the course of their adoption and application, as well as one-time and comprehensive rendering ineffective of or amendment to the regulations that are obsolete and/or harmful to the economy, arise as priorities in the regulatory reform implementation .

2. DEFINITIONS

The definitions used in this Strategy have the following meaning:

- 1) *regulations* are all normative (general) legal acts at the republic level and include all laws and general bylaws, as well as general acts adopted by regulatory bodies in the performance and for the purpose of performing their activities (rulebooks, instructions, opinions, fee lists, forms and similar);
- 2) *regulation* is a concrete normative (general) legal act at the republic level that is a part of regulations;
- 3) *alternatives to regulations* are mechanisms by which specific objectives are achieved without adopting a regulation and include, inter alia, market mechanisms, subsidies, media campaigns aimed at change in behaviour, change in carrying out penal policy and similar;
- 4) *regulatory bodies* are ministries, special organisations, within the meaning of the law regulating government administration as well as republic agencies and institutions, as well as other republic bodies and organisations, except the Government, the National Assembly and independent regulatory bodies responsible to the National Assembly;

5) *inefficient regulation* is any regulation that is not applied and/or is obsolete and/or imposes unnecessary administrative procedures and/or creates unnecessary costs to the economy or is harmful to the economy on some other basis;

6) *guidelines* are instructions issued by the Comprehensive Regulatory Reform Implementation Unit, by which explanations are given about the manner of completing the forms submitted for the purpose of implementing particular phases of one-time rendering of inefficient regulations ineffective or their amendment;

7) *subjects of regulations* are those natural and/or legal persons whose behaviour is regulated by a regulation;

8) *business sector* is economic entities and their associations;

9) *OECD* is the international organisation for economic cooperation and development with its head office in Paris, France.

3. OBJECTIVES OF THE REGULATORY REFORM STRATEGY OF THE REPUBLIC OF SERBIA FOR THE 2008-2011 PERIOD

The Regulatory Reform Strategy of the Republic of Serbia for the 2008-2011 period (hereinafter: Strategy) is implemented for the purpose of creating favourable economic environment, reducing legal insecurity and increasing competitiveness of the domestic economy in the global and European markets.

According to the previously mentioned, the Strategy objective is the establishment of a regulatory system which:

1) promotes economic development and social prosperity;

2) supports national competitiveness protecting public interest at the same time;

3) reduces administrative business costs by at least 25% by 2011;

4) accelerates and reduces administrative procedures and introduces a "one-stop-shop system" and the principle that the "silence of administration" signifies approval wherever possible;

5) improves the international rating of the Republic of Serbia in terms of business environment quality, especially in the "Doing Business" studies of the World Bank and the World Economic Forum by minimum 20 places.

In order to achieve the mentioned objectives, it is necessary to take appropriate regulation improvement measures that may be grouped in the following manner:

1) establishment of the principle of good regulatory practice;

2) one-time rendering of inefficient regulations ineffective or their amendment – Comprehensive Regulatory Reform (hereinafter: CRR);

3) improving the existing RIA system in the course of their preparation and adoption.

4. INTERNATIONAL EXPERIENCE IN THE AREA OF REGULATORY REFORM

International experience indicates that overregulation has a negative impact on market competition, investment and innovation and leads to increasing corruption and "informal" sector, all of which has an indirect impact on the efficiency and productivity of economic entities as well. It is precisely for the previously mentioned reasons that the improvement of regulation quality is one of the priority objectives both in developed countries and in transition countries.

Regulatory reform i.e. improvement of the quality of regulations in the EU becomes particularly significant after the adoption of the Lisbon Strategy and the 2001 Report of the so-called Mandelkern Group. Upon the request of the ministers of the EU member countries, for the purpose of improving the quality of regulations within the EU, a High Level Consultative Group on Better Regulation, the so-called Mandelkern Group, was formed. The Mandelkern Group's mandate related to the preparation of a proposal that also included a joint method of regulation quality evaluation. The Mandelkern² Group Report provides recommendations at the level of the member countries' governments as well as at the European Commission level, especially emphasising six areas (principles) of the EU regulatory framework improvement:

1) Considering relevant options – policy makers should consider all possible options and select the one that is most suitable to given circumstances, always taking into account that even in the cases when the adoption of regulations is the most suitable solution, it should not present the only option considered.

2) RIA – is a method that enables the effective conducting of the policy on the basis of facts and provides a framework for problem consideration and solution. RIA should present an integral part of the policy process rather than additional red tape. RIA does not replace political decisions but makes it possible for such decisions to be made based on previously collected evidence.

3) Consultations – present a tool by which publicity is achieved in the process of regulation adoption. Timely consultations with stakeholders present a necessary element of regulatory process that improves the quality of decision-making and reduces the possibility of process prolongation due to the appearance of contradictions toward the end of the process.

4) Simplification – there is a constant need in all systems for innovation and simplification of the legal system. Simplification is not the same as deregulation but presents a systematic, clearly focused and long-lasting activity that achieves regulation improvement and enables their easier understanding as well as greater efficiency.

² *"Mandelkern Group on Better Regulation" Final Report (November, 2001)*

5) Accessibility of regulations – all persons to whom the regulations refer should be able to have simple access to regulations. They should also be able to understand regulations. The coherence and clarity of regulations is improved by the consolidation of regulations (codification of and amendment to the existing regulations), while easier access to regulations is achieved by using new technologies.

6) Organisational structure – improvement of regulations requires a formation of appropriate structures that will be responsible for the implementation of the regulatory framework improvement strategy. The best way of doing this depends on the given circumstances, while the possibility of creating a unit close to the top of the Government should be considered.

A large number of the European Union member countries took measures in order to simplify the regulatory environment and improve the operation of the government administration. In striving to improve the quality of regulations, the government focus shifted from identifying specific problems and proposing specific reforms for solving these problems to a wider reform vision that includes the adoption of regulatory reform strategy with a series of tools.

Similar strategies were adopted in a certain number of new European Union member countries. In Poland, the Government adopted a three-year "Regulatory Reform Plan" on 19 August 2006, which was characterised as "the first strategic regulatory reform programme in Poland that includes a comprehensive approach to conducting regulatory policy."³ In the Czech Republic, the Government adopted a Regulatory Reform Strategy in 2007, which largely relies on the European Union's Better Regulation Strategy, and also made a decision on⁴ reducing administrative barriers to the economy in 2005, which includes an action plan and methodology of administrative cost measurement by applying the standard cost method, whose application was developed by the Netherlands.⁵

The European Commission invited all member countries to implement the regulatory reform, with the objective of reducing administrative costs by 25% by 2012.

This objective was set by the European Commission in 2007 and reads as follows: "Establishing a fully fledged and integrated Better Regulation system should be the medium to long-term objective of all Member States."⁶

Moreover, the OECD recommendations are that each country should "adopt at the political level broad programmes of regulatory reform that establish clear objectives and

³ OECD/SIGMA (2007)

⁴ No. 421/2005

⁵ OECD/SIGMA (2007) REGULATORY MANAGEMENT CAPACITIES OF MEMBER STATES OF THE EUROPEAN UNION THAT JOINED THE UNION ON MAY 1, 2004. Sustaining regulatory management improvements through a Better Regulation policy. Mimeo draft, April, Paris.

⁶ European Commission (14/11/2006) COMMUNICATION FROM THE COMMISSION. Economic reforms and competitiveness: key messages from the European Competitiveness Report 2006 COM (2006) 697 final. Brussels.

frameworks for implementation."⁷ The OECD is of the opinion that the adoption of a clear strategy is of such great significance that "the states with explicit regulatory strategies achieve faster sustainable development than the countries with no such strategy. The more complete and concrete the principles and the action plan, the more complete and efficient the reforms."⁸

The OECD recommends the establishment of the "good regulations" principle, and good regulations should:⁹

- 1) be directed to clearly identified objectives and efficient in achieving these objectives;
- 2) have a sound legal basis;
- 3) ensure that the benefits justify the costs, taking into account redistribution effects as well;
- 4) minimise costs and market distortions;
- 5) promote innovation by means of market facilities and target-based approaches;
- 6) be clear, simple and practical for users;
- 7) be consistent with other regulations and policies;
- 8) be as compatible as possible with competition policy and investment policy at domestic and international levels.

5. REGULATION IMPROVEMENT MEASURES

5.1. *Establishing the principle of good regulatory practice*

5.1.1. The need for defining the principle of good regulatory practice

In most developed countries, the adoption of new regulations and RIA application are based on the principles of good regulatory practice, which were adopted by the governments of these countries. International experience in this area is stated in Section 4 of this Strategy. In order to improve the quality and achieve high regulatory standards in the Republic of Serbia, it is necessary to define relevant principles on which the preparation and impact assessment of regulations will be based.

5.1.2. Obligation of observing the principle of good regulatory practice

⁷ OECD (1997) OECD Report on Regulatory Reform, Paris.

⁸ OECD (2002) Regulatory Policies in OECD Countries: From interventionism to regulatory governance, OECD, Paris

⁹ OECD Ministerial Report on Regulatory Reform, 1997

In the course of preparing, proposing and adopting as well as applying regulations, it is necessary for the regulatory bodies to observe the following principles:

1) *The principle of necessity*, which implies that:

- (1) regulations should be reduced to the lowest extent possible;
- (2) the regulation is only adopted if its adoption is necessary;
- (3) the regulation may not contain unnecessary procedures, which lead to high administrative costs;

(4) the application of regulations in practice is continuously monitored and assessed and that depending on the results of that monitoring and assessment the regulation is rendered ineffective or its amendment is proposed.

2) *The principle of effectiveness*, which implies that:

- (1) the regulation should solve concrete problems;
- (2) the regulation is implementable;
- (3) the regulation clearly defines the role of government bodies, organisations and institutions;

(4) the regulation contains precise authorities of competent bodies to control the application of the regulation;

(5) the subjects of regulations are able to observe and apply the regulation.

3) *The principle of cost-effectiveness*, which implies that:

- (1) the regulation causes greater benefit than costs at the society level;
- (2) objectives are achieved by the regulation at the lowest costs, taking into account alternatives to regulations and different forms of regulations.

4) *The principle of proportionality*, which implies that:

(1) the burdens that the regulation imposes on subjects of regulations are appropriate and justified;

(2) that an appropriate level of regulatory impact assessment is used in the course of preparing the regulation.

5) *The principle of consistency*, which implies that:

- (1) the regulation is consistent with other regulations;
- (2) the regulation contributes to legal security and predictability.

6) *The principle of responsibility*, which implies that the regulation clearly defines the responsibility of subjects of regulations and the bodies applying the regulation, also including the bodies competent for conducting the procedures regulated by the regulation and the bodies competent for controlling and evaluating the enforcement of the regulation.

7) *The principle of transparency*, which implies that:

(1) the public is provided with all necessary information about the issues that are the subject of regulation, about the alternative solutions considered and about the reasons for adopting the regulation;

- (2) appropriate public consultation and discussions have been conducted about the regulation;
- (3) the regulation is understandable and available to the public;
- (4) the work of government bodies, organisations and institutions in connection with the regulation application is transparent.

5.2. *One-time rendering of inefficient regulations ineffective or their amendment – CRR*

5.2.1. The need for one-time rendering of inefficient regulations ineffective or their amendment

In their everyday life, citizens and entrepreneurs face a large number of regulations and the complex and expensive business environment hinders the economic growth and competitiveness of the Republic of Serbia. This problem is indicated in the introductory section of this Strategy.

A large number of inefficient regulations is the consequence of many decades of regulatory activities. The regulations adopted in the second half of the twentieth century in the Republic of Serbia are a result of conflicting trends - promotion of "revolutionary values" and "self-management", imposed by former political leaderships, on the one hand, and the attempt of the professional practice to keep the legal system within the limits of traditionally accepted values and legal practices as designed by liberal bourgeois society, on the other hand. Such regulations are unacceptable, particularly in the area of commercial law, in which fundamental changes took place in developed market economies. The need for integration into new global processes imposed the necessity of urgent harmonisation of the legal system of the Republic of Serbia with modern European and global trends. In accordance with that, the prerequisite for economic development of the Republic of Serbia is the establishment of market economy based on private property and liberalisation of internal economic processes. Although a large number of new regulations have already been adopted to this end or their adoption is planned, numerous inefficient regulations are still in effect, i.e. regulations that are not applied and/or are obsolete and/or impose unnecessary administrative procedures and/or create unnecessary costs to the economy or are harmful to the economy on some other basis.

The problem of existence of a large number of inefficient regulations is characteristic not only of the Republic of Serbia. All transition states as well as numerous developed states are faced with it. In some of them, the reform involving the one-time rendering of inefficient regulations ineffective or their amendment has already been

implemented or its implementation is under way. In the international practice, such reform is known as the "guillotine". This reform was implemented in developed countries (Sweden, South Korea, Mexico, Hungary), as well as in transition countries (Ukraine, Moldova, Georgia, Croatia)¹⁰

The need for implementing the reform of one-time rendering of inefficient regulations ineffective or their amendment exists in the Republic of Serbia as well, because it is the fastest and most systematic manner of improving the economic environment, reducing legal insecurity and increasing the competitiveness of domestic economy in the global and European markets.

By the Prime Minister's Decision no. 06-00-1098/08-01 dated 8 July 2008, Mladen Dinkić, MA, Deputy Prime Minister for Economic Development (hereinafter: Deputy Prime Minister) was authorised to manage the Comprehensive Regulatory Reform project.

5.2.2. Scope of the reform and bodies responsible for its implementation

In order to render ineffective or amend inefficient regulations in the Republic of Serbia i.e. all regulations that are not applied and/or are obsolete and/or impose unnecessary administrative procedures and/or create unnecessary costs to the economy or are harmful to the economy on some other basis, a CRR will be implemented in the 2008-2010 period. The CRR will cover all regulations at the republic level that have effects on business in the Republic of Serbia.

Taking into account the expected volume of activities within the CRR it is necessary for the Government to establish an occasional working body – Comprehensive Regulatory Reform Implementation Unit (hereinafter: CRR Implementation Unit) whose task will be to implement the CRR at the operational level, which includes the inventory and review of current regulations with the objective of identifying any normative and administrative barriers to business in the Republic of Serbia and preparation of the Proposed Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations. For the purpose of implementing the CRR, the CRR Implementation Unit will prepare CRR implementation guidelines, which will define the procedure and obligations of regulatory bodies in the CRR implementation.

The Deputy Prime Minister will coordinate and supervise the CRR implementation and perform activities in connection with engaging experts in the CRR Implementation Unit, along with a media campaign, informing the public about the CRR as well as including the business sector in the CRR.

¹⁰ Scott Jacobs presentation "Regulatory Reform and Serbia" to the Minister of Economy (FIAS/IFC/WORLD BANK) - July 2007

The Council for Regulatory Reform of Economic System (hereinafter: Council) continuously monitors the CRR implementation from the aspect of coordinating the work of regulatory bodies, considers specific questions in connection with regulations covered by the CRR and, as needed, provides opinions in connection with these questions, monitors actions of regulatory bodies under the Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations and provides consultations at the level of regulatory bodies for the purpose of their implementation and controls the transparency of regulation drafting by which the Strategy Implementation Programme is implemented in the part relating to rendering ineffective or amending regulations.

The business sector will be actively involved in the CRR through the Business Council, formed by the Deputy Prime Minister, with the task of:

- 1) promoting the CRR and reform objectives to the business sector;
- 2) collecting proposals from the business sector for rendering ineffective or amending inefficient regulations;
- 3) proposing specific and realistic solutions for achieving the reform objectives.

5.2.3. Phases of CRR implementation

5.2.3.1. Preparatory phase

The CRR Implementation Unit initiates preparatory activities for CRR implementation by preparing guidelines, forms and conducting training of persons engaged in the CRR Implementation Unit and the persons that will be in charge of CRR implementation in regulatory bodies.

Within this phase, a CRR media campaign will commence, hardware and software will be provided for the CRR and a CRR web page will be established, which will contain CRR implementation guidelines, a detailed CRR implementation plan and forms, which will be completed in the next CRR phases by the regulatory bodies and the private sector.

A contact person will be appointed at each regulatory body to communicate with the CRR Implementation Unit, and the persons will be appointed that will be in charge of CRR implementation in regulatory bodies.

Within this phase, the possibility will be identified of using for CRR purposes the already existing software owned by the Republic of Serbia or the software made for the needs of the regulatory bodies as well as the existing databases of the regulatory bodies.

5.2.3.2. Collection phase

The regulatory bodies will submit to the CRR Implementation Unit, in electronic and written form, the following:

- 1) the list of all current regulations within their competence, including all related forms, fee lists and similar;
- 2) a completed regulatory inventory form available on the CRR web page, for each regulation from the list.

Based on the submitted lists, the CRR Implementation Unit makes the final list of all inventoried regulations and enters that list into the electronic database. After that, the CRR Implementation Unit performs the selection of inventoried regulations and records the regulations that will be covered by the CRR in the next reform phases, i.e. designates all regulations relevant for business in the Republic of Serbia that will be reviewed in the next CRR phase. The Office of the Deputy Prime Minister submits that list to the Government for information and it is published on the CRR web site.

5.2.3.3. Review phase

For each regulation within their competence or applied by them, from the final list of inventoried regulations, which was designated as relevant for business in the Republic of Serbia in the previous CRR phase, including all related forms, fee lists and similar, the regulatory bodies are obliged to:

- 1) conduct an assessment of impact of that regulation on business;
- 2) complete and submit to the CRR Implementation Unit, in electronic and written form, the regulatory assessment form available on the CRR web site, with a proposal that this regulation be rendered ineffective, amended or left untouched, along with a justification of that proposal, and if regulation amendment is proposed a specification of these amendments will also be included in the form, along with stating precisely the new solutions that should be included in the regulation.

The EU Integration Office may propose rendering ineffective or amending the regulations relevant for business in the Republic of Serbia even if these regulations are not on the final list of all inventoried regulations published on the CRR web site at the end of the previous phase of the CRR implementation. It will propose amendments to regulations by means of the regulatory assessment form available on the CRR web site, which it will submit to the CRR Implementation Unit in electronic and written form, with a proposal that this regulation be rendered ineffective or amended, along with a

justification of that proposal, and if regulation amendment is proposed a specification of these amendments will also be included in the form, along with stating precisely the new solutions that should be included in the regulation.

During this reform phase, the Deputy Prime Minister will invite the public to participate actively in the reform and enable unhindered participation of the Business Council in the reform process.

All stakeholders may:

1) propose, in person or through the Business Council, amendments to regulations relevant for business in the Republic of Serbia even if these regulations are not on the final list of all inventoried regulations published on the CRR web site at the end of the previous phase of the CRR implementation. Amendments to regulations will be proposed by means of the regulation amendment proposal forms, which will be on the CRR web site and which will be submitted to the CRR Implementation Unit in electronic and/or written form. Reasons for the proposed amendment and the proposal of the regulation amendment text will be stated in the forms;

2) provide their comments on regulation amendment proposals that arrived from regulatory bodies and other stakeholders through the CRR web site.

The Business Council may:

1) propose amendments to regulations relevant for business in the Republic of Serbia even if these regulations are not on the final list of all inventoried regulations published on the CRR web site at the end of the previous phase of the CRR implementation. Amendments to regulations will be proposed by means of the regulation amendment proposal forms, which will be on the CRR web site and which will be submitted to the CRR Implementation Unit in electronic and written form. Reasons for the proposed amendment and the proposal of the regulation amendment text will be stated in the forms. The Business Council will submit proposals based on the collected proposals of its members and the Business Council members that are associations will collect proposals of their members and submit them to the CRR Implementation Unit via the Business Council;

2) provides comments on proposals for rendering ineffective or amending regulations that arrived from regulatory bodies and other stakeholders through the CRR web site.

The Council will continuously monitor the progress of this CRR phase from the aspect of coordinating the work of regulatory bodies and consider specific questions in connection with regulations covered by the CRR and give opinions in connection with these questions as needed.

The CRR Implementation Unit will inform the Deputy Prime Minister and the Council of the progress in the implementation of this CRR phase and regularly publish on

the CRR web site all proposals and comments it received in electronic form during this reform phase as well as the results of the CRR implementation and, as needed:

- 1) organise consultations with regulatory bodies, the Business Council, associations and other relevant organisations in order to enable insight into relevant information that will be used in the next CRR phase;

- 2) perform regulatory assessment from the aspect of the same questions, which were answered by the regulatory bodies, taking into account the proposals of the regulatory bodies, the private sector, entrepreneurs, citizens and other sources.

5.2.3.4. Phase of creating the Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations

The CRR Implementation Unit prepares a Proposed Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations, which contains:

- 1) a list of regulations proposed to be rendered ineffective;
- 2) a list of regulations proposed to be amended, with a specification of amendments and stating the new solutions that should be included in the regulation.

The CRR Implementation Unit submits the Proposed Strategy Implementation Programme, in the part relating to rendering ineffective or amending regulations, to the Office of the Deputy Prime Minister for the purpose of implementing the procedure of collecting opinions from competent bodies and organisations and submitting it to the Government for adoption.

The Proposed Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations consists of three parts:

- 1) Part 1 contains proposals for rendering ineffective or amending the regulations adopted by the Government and regulatory bodies;
- 2) Part 2 contains proposals for rendering ineffective or amending the regulations adopted by the National Assembly;
- 3) Part 3 contains proposals for rendering ineffective or amending the regulations adopted by independent regulatory bodies responsible to the National Assembly.

5.2.3.5. Phase of implementing the Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations

In accordance with the Strategy Implementation Programme in the part relating to rendering ineffective or amending the regulations adopted by the Government, regulatory bodies will prepare a six-month plan of its implementation and submit it to the CRR

Implementation Unit, which will prepare, based on this, a consolidated plan of implementing the Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations and publish it on the CRR web site.

The CRR Implementation Unit will monitor the implementation of the Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations and inform the Deputy Prime Minister and the Council accordingly.

The Deputy Prime Minister supervises the implementation of the Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations and informs the Government of the implementation progress.

The Council continuously monitors the progress of this CRR phase from the aspect of coordinating the actions of regulatory bodies under the Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations, provides consultations at the level of regulatory bodies for the purpose of their implementation and controls the transparency of preparing the regulation by which the Strategy Implementation Programme is implemented in the part relating to rendering ineffective or amending regulations.

5.2.4. Creation of the electronic regulatory registry

The long-term objective of the Strategy is the creation of the electronic regulatory registry and its integration into the process of publishing new regulations. The creation of the electronic registry will enable:

- 1) greater transparency;
- 2) greater legal security;
- 3) improved access to regulations;
- 4) publication of the regulatory database on the internet,
- 5) further upgrade and expansion of the electronic registry into an internet version of the "Official Gazette of the Republic of Serbia";
- 6) publication of consolidated versions of regulations;
- 7) lower transaction costs of economic entities and investors;
- 8) strengthening the responsibility of regulatory bodies by reducing the possibility of free interpretation in regulation enforcement;
- 9) opening a communication channel for commenting and giving proposals by the public in connection with regulations;
- 10) setting up a system of continuous review of the regulatory system.

In the period of CRR implementation, the CRR Implementation Unit will take measures aimed at initiating the creation of the electronic regulatory registry, which include in particular:

- 1) publication of the final list of all inventoried regulations, which will be the basis for creation of the electronic regulatory registry on the CRR web site;
- 2) direct cooperation with the entity competent for publishing the regulations of the Republic of Serbia for the purpose of providing technical support for the creation of the electronic regulatory registry.

5.2.5. CRR transparency

The CRR will be implemented in such a manner that it will enable all stakeholders:

- 1) to be informed of the reform dynamics and implementation;
- 2) to be informed of the proposals and information obtained from regulatory bodies and the private sector;
- 3) active participation of all stakeholders in the reform by submitting proposals for amending regulations and comments on the proposals of the regulatory bodies and other stakeholders.

5.3. Improvement of the existing system of regulatory impact assessment in the course of their preparation, adoption and application

5.3.1. Previous experience in the performance of regulatory impact assessment

In order to improve their legal system, many countries systematically work on reducing the risk of adopting poor and unnecessary regulations. Obligation of regulatory bodies to perform regulatory impact assessment *ex ante* (in the course of preparation) and *ex post* (during application) was introduced in modern legal systems. The extent to which this obligation is enforced is in direct correlation with the efficiency of regulations, and by that very fact with economic development and social prosperity as well.

The tool the majority of the EU members and the majority of developed OECD members use is RIA.¹¹ Regulatory impact assessment presents a method by which probable effects of new regulations or regulatory changes, but also the existing regulations, are analysed. This method implies a process based on a series of steps by which an answer is obtained, in an analytical and systematic manner, to the question whether the new regulations or amendment to the existing regulations will have a positive or a negative impact. During this process, potential key and side effects are identified that accompany the proposed amendments and, in the case when it is possible, costs (probable

¹¹ In other countries regulatory impact assessment is most frequently found under the name regulatory impact analysis or regulatory impact assessment or, abbreviated, RIA.

costs to be borne by individuals and economic entities and the costs of regulation enforcement by government bodies) and benefits (e.g. savings at the society level from shortening or eliminating administrative procedures or reducing accidents and similar). RIA enables the adoption of regulations the application of which brings greater benefits than costs to the society or adoption of the alternative solution that causes minimal costs. In addition to systematic consideration of potential effects, RIA also implies informing decision-makers and all stakeholders of RIA results, so its implementation assumes a transparent regulatory process and guarantees the observance of the principle of publicity in the course of adopting regulations and the principle of responsibility for the regulation adopted. In that regard, RIA is an unavoidable method for quality regulation preparation.

The Republic of Serbia has already made a significant step towards ensuring a quality regulatory environment by introducing mandatory regulatory impact assessment during the preparation of new regulations. The Government Rules of Procedure ("Official Gazette of RS" nos. 61/06 – consolidated text and 69/08) specify that the justification of a draft law and a proposed decree or decision of the Government must contain "reasons for adopting the act and within them, in particular: the problems that the act should resolve, the objectives to be achieved by the act, the considered options for resolving the problem without adopting the act and the answer to the question why the adoption of the act presents the best manner of resolving the problem" (Article 39 paragraph 1 item 2).

The provision of Article 40 paragraph 2 of the Government Rules of Procedure specifies that, attached to the draft law, the proponent shall submit the regulatory impact assessment containing the following explanations: who is most likely to be affected by the solutions proposed in the law and how, what costs will the enforcement of the law cause to the citizens and economic entities (particularly to small and medium-sized enterprises), are the positive consequences of the act adoption such that they justify the costs it will create, does the act support the establishment of new economic entities in the market and market competition, have all stakeholders had the opportunity to express their views about the act, and which measures are going to be undertaken during the law application in order to realise what is intended by adopting the law.

The Council was established by the Decision on Establishing the Council for Regulatory Reform of the Economic System ("Official Gazette of RS", nos. 41/03 and 113/04) with the task of, inter alia, providing preliminary opinions to the competent Government Committees on whether the justifications of draft laws, other regulations and general acts and proposed acts to be adopted by the Government should include an impact assessment and, if so, whether the impact assessment includes all necessary explanations.

The Council was established as an occasional Government body. In order to ensure the functioning of the Council and consideration of the opinion issued by the Council, since the establishment of the Council until today the Government has been

appointing persons of great authority in the Government heads or chairpersons of that body, while appointing as other Council members representatives of regulatory bodies at the highest level possible. For that reason it may be noted that the Council was established primarily as a political body.

Administrative and technical support to the Council is provided by the ministry in charge of economic affairs and the Council Secretariat, which performs tasks of processing and preparing material for the Council meetings as well as other technical tasks for the needs of the Council.

In order to avoid obstruction of regulatory activities, the criteria for assessing the level of RIA implementation were gradually updated in terms of quality, taking into account current professional and technical capacities of the regulatory bodies. The criteria were updated at maximum pace the regulatory bodies could achieve. In that regard, from the very beginning of its operation, in addition to negative and positive opinions, the Council issued "qualified positive opinions" as well, in which it pointed out the regulatory bodies' mistakes and solutions that may have negative effects and invited them to review these solutions. At the same time, by providing opinions, it educated them about what RIA implementation procedure implies. Thus, on the one hand, the danger of regulatory process obstruction was eliminated and, on the other hand, a system was established ensuring the responsibility of regulatory bodies for the impact of regulations they propose, because their mistakes and risks of such decision were pointed out to them before the adoption of the regulations.

The RIA project was supported by the Government of the Kingdom of Sweden by a grant to the Republic of Serbia, based on which the implementation of a four-year project of regulatory impact assessment implementation - improvement of efficiency and transparency in the legislative process¹² began, which is conducted through the World Bank. The project is implemented within the Ministry of Economy and Regional Development and has the following components:

- 1) adoption of the Regulatory Reform Strategy;
- 2) building the capacity of the Council Secretariat, for the purpose of RIA coordination and quality control;
- 3) training government employees in regulatory impact assessment performance;
- 4) performing detailed RIA of at least eight most relevant regulations;
- 5) preparation of the RIA Manual;
- 6) setting up the Council web site.

¹² Swedish Grant for Regulatory Reform in Serbia: Regulatory Impact Analysis (RIA) – Improvement of Efficiency and Transparency in the Legislative Process – Grant Number TF057530

Since the introduction of the RIA performance obligation (November 2004) to date the Council has given opinions on over 100 texts of draft laws or impact assessments of these draft laws. Furthermore, the Council:

1) organised, in cooperation with the World Bank Institute and the HR Management Department, the RIA training attended by around 60 government employees to date;

2) prepared the RIA Manual;

3) set up the Council web site.

The progress already achieved by the Republic of Serbia in this area is indicated by the European Commission and OECD 2007 Report on the Implementation of the European Charter for Small Enterprises in the Western Balkans. The results in the RIA application are presented in Table 1: Regulatory Impact Assessment Application Results.

TABLE 1:

REGULATORY IMPACT ASSESSMENT APPLICATION RESULTS

Albania	B&H	Croatia	Macedonia	Montenegro	Serbia
1.50	1.50	4.00	1.50	1.50	4.50

Source: Enterprise Policy Development in the Western Balkans - Report on the implementation of the European Charter for Small Enterprises in the Western Balkans (2007), p. 75.

The results achieved in this area in the Republic of Serbia may be also measured by comparing them with the results in the same area achieved by the European Union member countries. A summary of measures in the area of better regulation and regulatory impact assessment, published in 2005 by the European Commission, is given in Table 2: Summary of Measures in the Area of Improving Regulations and Regulatory Impact Assessment.

TABLE 2:

SUMMARY OF MEASURES IN THE AREA OF IMPROVING REGULATIONS AND REGULATORY IMPACT ASSESSMENT

	Regulation improvement strategy-programme	Specific RIA implementation policy	Mandatory character of RIA	Consideration of alternative tools	RIA Manual	RIA Coordinating body	Consultations as part of RIA	Formal consultation procedures	Direct consultations with stakeholders	Test of impact on small and medium-sized enterprises	Exceptions for small and medium-sized enterprises	Total Y+(Y)
Belgium	(Y)	N.A.	(Y)	N.A.	(Y)	(Y)	N	(Y)	(Y)	(Y)	N	7
Czech Rep.	Y	N.A.	N	Y	N.A.	N.A.	N.A.	N.A.	N.A.	(Y)	N	3
Denmark	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	10
Germany	Y	N.A.	N.A.	N.A.	Y	Y	Y	Y	N.A.	N.A.	N.A.	5
Estonia	N	N	Y	Y	Y	N.A.	N.A.	N	N	N.A.	Y	4
Greece	(Y)	(Y)	N	N	N	N	Y	N	N	N	N.A.	3
Spain	Y	(Y)	Y	Y	(Y)	(Y)	N	N	N	N	N.A.	6
France	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	0
Ireland	Y	N	N	(Y)	(Y)	N	(Y)	(Y)	N	N	N	5
Italy	(Y)	Y	N	(Y)	Y	(Y)	(Y)	N	Y	(Y)	N	8
Cyprus	N	N	N	N	N	N	N	N	N	N	N.A.	0
Latvia	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	N	9
Lithuania	N.A.	Y	Y	Y	Y	N.A.	N.A.	N.A.	N	N.A.	N.A.	4
Luxembourg	Y	N.A.	Y	Y	N.A.	Y	Y	Y	N	N	Y	7
Hungary	Y	(Y)	Y	N	N	Y	(Y)	(Y)	N	N	N	6
Malta	Y	N.A.	N.A.	N	N.A.	(Y)	N	N	Y	N	Y	4
Netherlands	Y	Y	N.A.	Y	Y	Y	N	N	Y	(Y)	Y	8
Austria	Y	Y	Y	Y	Y	N	Y	Y	Y	N.A.	N	8
Poland	Y	Y	Y	Y	Y	Y	Y	Y	(Y)	N	Y	10
Portugal	N	N	N	N	N	N	N	N	N	N	N	0
Slovenia	Y	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1
Slovakia	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	(Y)	N.A.	N	1
Finland	Y	Y	Y	Y	Y	(Y)	Y	Y	Y	N.A.	N.A.	9
Sweden	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	9
England	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	10
Total Y+(Y)	19	13	12	15	15	14	12	12	11	7	5	

Y	Existing measures	(Y)	Planned/partly available measures	N	Non-existent measures	N.A.	Information not available
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Source: Commission Staff Working Paper: Report on the implementation of the European Charter for Small Enterprises in the Member States of the European Union - SEC (2005) 167, 8/2/2005, p. 36

Serbia¹³	(Y)	(Y)	Y	Y	Y	Y	(Y)	Y	(Y)	N	N	9
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¹³ The data for Serbia were entered based on stipulated obligations for RIA implementation according to Article 39 paragraph 1 item 2 and Article 40 paragraph 2 of the Government Rules of Procedure, existence of Draft Regulatory Reform Strategy, the RIA Manual and the competencies of the Regulatory Reform Council.

5.3.2. Improvement of the existing RIA system and establishment of new mechanisms for RIA implementation control

The existing RIA implementation framework are the provisions of the Government Rules of Procedure, which do not stipulate in detail the form in which the RIA Report is submitted to the Council in order to obtain an opinion, which presents a limiting factor for a more complete perception of these effects. Besides, neither the criteria based on which the question as to when a detailed and when a basic regulatory impact assessment should be performed, and what the scope of these assessments is, would be defined in an unambiguous manner nor the criteria for performing consultations are regulated. Also, a higher-quality RIA control would be ensured by setting up the Council as a separate organisation under the law governing government administration.

For the mentioned reasons, even in the case where a detailed assessment was performed during the draft law preparation process, it was not presented in an adequate manner in the RIA report. The reports are either incomplete or unclear so they fail to provide a proper insight into the RIA performance level.

For the purpose of overcoming the mentioned problems in the 2008-2011 period the following initiated activities will continue:

- 1) training government employees in performing RIA;
- 2) a detailed RIA of at least two regulations per year;
- 3) setting up a fully functional web site on which all information about performed RIAs and Council opinions on RIA reports will be available to the public.

Within the time limits stipulated in the Regulatory Reform Action Plan (hereinafter: Action Plan), the following activities will be carried out as well:

- 1) printing and distribution of the RIA Manual;
- 2) preparing the RIA Report form;
- 3) adopting appropriate regulations and/or acts that will also regulate the questions relating to:

(1) the criteria according to which it is determined when it is necessary to carry out a basic RIA and when a detailed RIA;

(2) application of the RIA Report forms;

(3) obligation of regulatory bodies to submit the reports on the performed assessment of impact of bylaws in addition to the reports on the performed assessment of impact of laws in order to obtain an opinion;

(4) public consultation (public consultation programme, method of conducting public consultation, schedule for conducting public consultation, the manner of making draft regulations available to stakeholders during public consultation and other questions of significance to the quality of conducting public consultation);

4) appointing persons in regulatory bodies that will perform RIA and, as needed, establishing special RIA departments;

5) study visits for the purpose of getting information about the activities of other similar bodies and establishing cooperation.

For the purpose of improving RIA and maintaining a quality regulatory environment it is necessary to improve the manner of Council operation so that in performing the set tasks the Council establishes cooperation with:

1) the National Assembly bodies for the purpose of identifying the impact of amendments on the impact of the laws proposed for adoption;

2) independent regulatory bodies responsible to the National Assembly for the purpose of training employees dealing with normative issues in RIA application;

3) local self-government bodies for the purpose of training employees dealing with normative issues in RIA application.

In order to achieve the basic Strategy objectives, it is necessary to:

1) submit reports on performed RIAs and the Council opinions to the National Assembly together with bills, in order for the deputies of the National Assembly to make decisions based on adequate additional information;

2) promote RIA performance at the republic as well as local levels in order to ensure the consistency of objectives at the level of the Republic of Serbia and their realisation at the local level.

By 30 June 2010, the establishment of a special organisation in charge of RIA performance control will be proposed, which will be trained in operational and professional terms in carrying out and controlling RIA performance and which will take over the activities within the Council's competence.

Within the time limits provided in the Action Plan, mechanisms will be established for maintaining a quality regulatory environment for:

1) RIA performance control during the regulation drafting;

2) monitoring effects during the application of laws ("ex post" impact assessment).

5.3.2.1. Establishment of mechanisms for RIA performance control during regulation drafting

In the practice so far the Council provides opinions on whether an impact assessment should have been performed for a specific regulation and if it had been performed, whether that assessment was performed in an adequate manner. RIA is submitted to the Council in order to obtain an opinion immediately before the regulation adoption.

However, the RIA performance control should not entail only the provision of opinion on the final report on performed RIA, because that report concludes the procedure of RIA performance. RIA should be performed from the beginning of the work on the regulation, because this guarantees the improvement of quality of the regulation and shortening of the preparation duration.

To that end it is necessary to adopt a regulation that will regulate the issue of RIA performance control during regulation drafting as well, with the regulatory bodies also submitting the following in order to obtain an opinion:

- 1) preliminary impact assessment for the purpose of obtaining an opinion on whether it is necessary to conduct a basic or detailed impact assessment during the preparation of the regulation;

- 2) impact assessment intended for public consultation in order to point out the shortcomings of the performed assessment to the regulatory body.

5.3.2.2. Establishment of mechanisms for monitoring impact during the application of regulations ("ex post" impact assessment)

The performance of RIA during the drafting of regulations guarantees an improvement of the quality of regulations; however, it is necessary to review regulations during their application in order to determine if they produce expected results. To that end, it is necessary to adopt a regulation that will regulate the issues related to the conditions and method of controlling the application of these regulations and the assessment of impacts of their application for the purpose of checking whether these regulations produce expected impact or not as well as the manner of further action when it is determined that the impact is unsatisfactory.

6. ACTION PLAN

The Action Plan includes specific measures that will be taken for the purpose of ensuring the conditions for the realisation of the Strategy objectives, designates the bodies responsible for the implementation of these measures as well as the time limits for their implementation.

The Action Plan is printed together with this Strategy and constitutes its integral part.

7. STRATEGY PUBLICATION

This Strategy will be published in the "Official Gazette of the Republic of Serbia".

05 no.:
Belgrade,

THE GOVERNMENT
DEPUTY PRIME MINISTER

II. REGULATORY REFORM STRATEGY ACTION PLAN

II. A. for the 2008–2011 period

I "One-time rendering of inefficient regulations ineffective or their amendment – Comprehensive Regulatory Reform" (CRR) Project			
Phases	Activities	Duration	Bodies responsible
1. Preparatory phase	<p>The Government adopts the Strategy and makes the Decision on Establishing the CRR Implementation Unit (establishment of the legal framework for the CRR implementation).</p> <p>The Government and donors provide funds for the CRR budget.</p> <p>The Deputy Prime Minister:</p> <ul style="list-style-type: none"> - engagement of experts in the CRR Implementation Unit; - formation of the Business Council. <p>The CRR Implementation Unit:</p> <ul style="list-style-type: none"> - preparation of proposals for cooperation with donors (MOU) and financial and technical support to the CRR; - prepares draft agreements for cooperation with the representatives of private sector or members of the Business Council; - preparation of the CRR implementation guidelines and detailed CRR implementation plan providing for precise steps, precise schedule and tasks, which will be presented to regulatory bodies and the public; - preparation of electronic forms for regulatory bodies (regulatory inventory form and regulatory assessment form) and private sector (regulation amendment proposal form) - preparation of internal procedures and business processes of quality control of submitted forms and other material, also including organisation of the help-desk (assistance to businessmen and citizens in active participation in the reform); - identifying experts for the CRR Implementation Unit; - training experts at the CRR Implementation Unit; - training contact persons and persons in charge of CRR in regulatory bodies; - initiating consultations with stakeholders; - identifying the possibility of using for CRR purposes the already existing software owned by the 	by 2 February 2009	The Government, Deputy Prime Minister, Ministry of Economy and Regional Development, CRR Implementation Unit, regulatory bodies

	<p>Republic of Serbia or the software made for the needs of the regulatory bodies as well as the existing databases of the regulatory bodies.</p> <p>The Deputy Prime Minister and the CRR Implementation Unit:</p> <ul style="list-style-type: none"> - preparing and launching the media campaign that is to last throughout all CRR phases; - purchasing IT and other office equipment; - setting up the CRR web site; - obtaining and creating software for CRR and training in its use. <p>The Government and the Ministry of Economy and Regional Development provide:</p> <ul style="list-style-type: none"> - premises for the work of 15 people who will be engaged at the CRR Implementation Unit; - telephone lines for the CRR Implementation Unit and the help-desk. <p>Regulatory bodies appoint persons for contact with the CRR Implementation Unit.</p>		
TOTAL DURATION OF PHASE 1		5 months	
Phases	Activities	Duration	Bodies responsible
2. Collection phase	<p>Regulatory bodies, by 16 March 2009, according to a schedule that ensures the completion of this CRR phase in the mentioned period, submit in electronic and written form:</p> <ul style="list-style-type: none"> - the list of all current regulations within their competence, including all related forms, fee lists and similar; - completed regulation inventory form, available on the CRR web site, for each regulation from the list. <p>The CRR Implementation Unit:</p> <ul style="list-style-type: none"> - checks the quality of the submitted forms according to the specified quality control criteria, requesting the regulatory bodies to provide additional information, as needed; - organises the electronic database consisting of completed forms in electronic form; - prepares the final list of all inventoried regulations and records the regulations that will be covered by the CRR in the next phases of reform and publishes it on the CRR web site, - informs the Council of the progress in the implementation of this CRR phase. <p>The Council continuously monitors the progress of this CRR phase from the aspect of coordinating the work of the regulatory bodies.</p>	02 February 2009 - 31 March 2009	Regulatory bodies, CRR Implementation Unit Council
3. Review phase	<p>Regulatory bodies:</p> <ul style="list-style-type: none"> - submit in electronic and written form, by 15 May 2009, the completed regulatory assessment form available on the CRR web site, for each regulation included in CRR, according to a schedule that ensures the completion of this CRR phase within the mentioned period; - maintain continuous communication with the CRR Implementation Unit, and hold meetings as needed; 	31 March 2009 - 1 September 2009	

	<ul style="list-style-type: none"> - submit, in electronic and written form, comments on the proposals of the Business Council, private sector, citizens and the EU Integration Office regarding the possibility for rendering ineffective or amending regulations. <p>The EU Integration Office may:</p> <ul style="list-style-type: none"> - submit, by 15 June 2009, in electronic and written form, the completed regulatory assessment form available on the CRR web site, for each regulation proposed to be rendered ineffective or amended, along with reasons for such proposal and draft amendment to the regulation, if it proposes amendment to the regulation; - submit, in electronic and written form, comments on the proposals of regulatory bodies, the Business Council, private sector and citizens; - as needed, maintains communication and holds meetings with the CRR Implementation Unit. <p>Private sector and citizens may:</p> <ul style="list-style-type: none"> - submit, by 15 June 2009, in electronic and/or written form, the completed regulation amendment proposal form, available on the CRR web site, for each regulation the amendment of which they propose, along with the reasons and proposed amendment to the regulation; - give comments on the proposals received on the regulatory assessment forms and regulation amendment proposal forms; - as needed, maintain communication with the CRR Implementation Unit. <p>The Business Council may:</p> <ul style="list-style-type: none"> - submit, by 15 July 2009, in electronic and written form, the completed regulation amendment proposal form available on the CRR web site, for each regulation the amendment of which it proposes, along with the reasons and proposed amendment to the regulation based on the collected proposals of its members (the Business Council members that are associations collect the proposals of its members and channel them through the Business Council) - submit comments on the proposals received on the regulatory assessment forms and regulation amendment proposal forms; - as needed, hold meetings and maintain communication with the CRR Implementation Unit. <p>The CRR Implementation Unit, as needed:</p> <ul style="list-style-type: none"> - performs additional consultations with regulatory bodies and relevant organisations; - performs regulatory assessment from the aspect of the same issues, in connection with which proposals or comments were given by regulatory bodies and the private sector; - holds meetings with stakeholder groups, associations and other stakeholders. <p>The Deputy Prime Minister invites the public to participate actively in the reform and enables unhindered participation of the Business Council in the reform process.</p> <p>The Council continuously monitors the progress of this CRR phase from the aspect of coordinating the work of regulatory bodies and considers specific issues in connection with regulations covered by the CRR and, as needed, gives opinions in connection with these questions. The CRR Implementation Unit informs the Council of the progress in the implementation of this CRR phase.</p>		<p>Regulatory bodies, EU Integration Office, all stakeholders (private sector and citizens), Business Council, Deputy Prime Minister, Council, CRR Implementation Unit</p>
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	<p>The CRR Implementation Unit regularly publishes on the CRR web site all proposals and comments received by it in electronic form during this reform phase as well as the results of the CRR implementation.</p> <p>The CRR Implementation Unit initiates the formation of the electronic regulatory registry:</p> <ul style="list-style-type: none"> - prepares the list of inventoried regulations, which is the basis for the creation of the electronic regulatory registry; - the regulations to be amended or rendered ineffective are distinctly designated in the electronic registry in order to improve their transparency and information level of the public. 		
4. Phase of preparing the Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations	<p>The CRR Implementation Unit prepares the Proposed Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations and the Office of the Deputy Prime Minister submits it, by 30 October 2009, to regulatory bodies, the EU Integration Office, the Republic Secretariat for Legislation and the Council in order to obtain an opinion.</p> <p>Regulatory bodies may submit, by 16 November 2009, to the Office of the Deputy Prime Minister the opinions with justified comments on the Proposed Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations within their competence. The Council, the EU Integration Office and the Republic Secretariat for Legislation may submit, by 16 November 2009, to the Office of the Deputy Prime Minister the opinions with justified comments on the Proposed Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations.</p> <p>The CRR Implementation Unit considers the comments of the Council, the EU Integration Office, the Republic Secretariat for Legislation and regulatory bodies, prepares the Proposed Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations and submits it to the Office of the Deputy Prime Minister, which submits the Proposed Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations to the Government for adoption, by 15 December 2009.</p> <p>During this phase, the Deputy Prime Minister coordinates activities and supervises the CRR implementation.</p>	1 September 2009 - 15 December 2009	CRR Implementation Unit, Office of Deputy Prime Minister, Deputy Prime Minister, regulatory bodies, EU Integration Office, Republic Secretariat for Legislation, Council
TOTAL DURATION OF PHASES 2, 3 AND 4		11 months	
Phases	Activities	Duration	Bodies responsible
5. Phase of implementing the Strategy Implementation Programme in the part	The Government adopts the Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations, by 31 December 2009, and submits it to regulatory bodies for implementation.	15 December 2009 - 31 December 2009	The Government, regulatory bodies, Deputy Prime Minister, Council, CRR Implementation Unit

relating to rendering ineffective or amending regulations	Regulatory bodies will prepare, by 15 January 2010, a six-month plan of implementing the Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations and submit it to the Government and the CRR Implementation Unit.	1 January 2010 - 15 January 2010	
	The CRR Implementation Unit will prepare, by 22 January 2010, a consolidated plan of implementing the Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations and publish it on the CRR web site.	15 January 2010 - 22 January 2010	
	Regulatory bodies will submit, by 30 May 2010, to the Government for adoption sets of regulations within their competence by which regulations are amended or rendered ineffective, in accordance with the Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations, according to a schedule that ensures the completion of this CRR phase within the mentioned period.	1 January 2010 - 30 May 2010	
	The Government adopts, by 30 June 2010: - bylaws; - draft laws, which it sends in the form of bills to the National Assembly for adoption.	15 January 2010 - 30 June 2010	
	The CRR Implementation Unit: - communicates with regulatory bodies and provides to them necessary assistance in implementing the Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations; - monitors the implementation of the Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations and informs the Deputy Prime Minister and the Council of the implementation progress. The Council continuously monitors the progress of this CRR phase from the aspect of coordinating the actions of regulatory bodies under the Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations, provides consultations at the level of regulatory bodies for the purpose of their implementation and controls the transparency of regulation preparation, by which the Strategy Implementation Programme is implemented in the part relating to rendering ineffective or amending regulations. The Deputy Prime Minister supervises the implementation of the Strategy Implementation Programme in the part relating to rendering ineffective or amending regulations and informs the Government of the implementation progress.	During the whole phase	
TOTAL DURATION OF PHASE 5		6 months	
Phases	Activities	Duration	Bodies responsible

<p>6. Creation of the Electronic Regulatory Registry</p>	<p>Texts of the inventoried regulations are included in the Electronic Regulatory Registry in order to improve their transparency and availability to the public.</p> <p>Long-term objective: to integrate the electronic register into the process of publishing new regulations, according to the principle of electronic Official Gazette of the Republic of Serbia</p>	<p>This phase starts simultaneously with Phase 5 and lasts until the completion of ERR creation</p>	<p>The Government; regulatory bodies</p>
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II Improvement the existing RIA system and establishment of new mechanisms for RIA performance control		
Activities	duration – deadline	Bodies responsible
Continuation of conducting training of government employees in performing RIA.	Continuous	Council, HR Management Department
Performing detailed RIA of at least two relevant regulations per year.	by 2011	Council
Setting up a fully functional web site on which all information about performed RIAs and Council opinions on RIA reports will be available to the public.	31 March 2009	Council
Printing and distribution of the RIA Manual.	31 December 2008	The Government, Council
Preparing the RIA Report form.	31 December 2008	Council
Adopting appropriate regulations and/or acts that will also regulate the questions relating to: <ol style="list-style-type: none"> 1) the criteria according to which it is determined when it is necessary to carry out a basic RIA and when a detailed RIA; 2) application of the RIA Report forms; 3) obligation of regulatory bodies to submit the reports on performed bylaws impact assessment in addition to the reports on performed law impact assessment in order to obtain an opinion; 4) public consultation (public consultation programme, method of conducting public consultation, schedule for conducting public consultation, the manner of making draft regulations available to stakeholders during public consultation and other issues of significance to the quality of conducting public consultation) 	31 December 2009	The Government, Council
Appointing persons in regulatory bodies that will perform the RIA and, as needed, creating special RIA departments	31 December 2009	regulatory bodies
Study visits for the purpose of getting information about the activities of other similar bodies and establishing cooperation	by 2011	Council
Improvement of the manner of Council operation so that in performing the set tasks the Council establishes cooperation with: <ol style="list-style-type: none"> 1) the National Assembly, for the purpose of identifying the impact of amendments on the effects of the laws proposed for adoption; 2) independent regulatory bodies responsible to the National Assembly for the purpose of training employees dealing with normative issues in RIA application; 3) local self-government bodies for the purpose of training employees dealing with normative issues in RIA application. 	Continuous	Council, National Assembly Secretariat, independent regulatory bodies responsible to the National Assembly, local self-government bodies
Submission of reports of regulatory bodies on performed RIAs and the Council opinions on these reports to the National Assembly in addition to bills, in order for the deputies of the National Assembly to make decisions based on adequate additional information.	Continuous	Government

Promotion of RIA performance at the republic and local levels in order to ensure the consistency of objectives at the level of the Republic of Serbia and their realisation at the local level	Continuous	The Government, Council
Preparation of an appropriate regulation, which will: 1) establish a special Government organisation in charge of RIA performance control, and proposing the adoption of that regulation; 2) establish mechanisms for RIA performance control during the preparation of the regulation; 3) establish mechanisms for monitoring impact during the application of the regulation.	30 June 2010	Council, The Government