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The authors' intention with the present policy brief is to shed light on the issues related to the implementation of the partnership principle in Serbia's regional development policy and to put forward recommendations for resolving those issues.

This policy brief has been based upon the paper study "Partnership for Development: Implementation of the Partnership Principle in Regional Development Policy in Serbia".

The policy study is available for download at:
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DEVELOPMENT MEANS PARTNERSHIP: PARTNERSHIP PRINCIPLE IN REGIONAL DEVELOPMENT POLICY IN SERBIA

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Summary

Serbia does not have a clear regional development policy; in addition, full implementation of the partnership principle in the regional development policy is missing. Without the partnership principle, no policy can successfully respond to the needs of the citizens and regions. Hence, there can be no successful regional development policy. Out of the five regions in Serbia, there are currently two that are considered as developed. Moreover, nearly a third of all local government units in Serbia are categorised as extremely underdeveloped. On the other hand, the current regional development policy is not aligned with the partnership principle promoted by the European Union cohesion policy. Namely, it fails to uphold *close cooperation between public authorities, economic and social partners and bodies representing civil society at the national, regional and local levels throughout the whole programme cycle consisting of preparation, implementation, monitoring and evaluation*. This discord grows in significance in view of Serbia's status as an EU candidate country.

Nevertheless, there are good practices in Serbia taking place in the informal arena (e.g. cooperation encouraged by regional development agencies). Despite their quality and success, these examples have not been recognised as official bodies and procedures. Their effects are limited and nonbinding.

In view of the above, it is necessary to develop a new, clear and comprehensive regional development policy through cooperation with stakeholders (local government units, regional development agencies (RDAs), civil society organisations (CSOs) and regional chambers of commerce). Furthermore, the partnership principle should be incorporated in the new regional development policy, through integration in:

- a) the new Strategy for Regional Development;
- b) the new Law on Regional Development;
- c) the amended Decision of the Provincial Assembly of Vojvodina on the Provincial Administration, and
- d) regional-level development strategies.

PARTNERSHIP IN SERBIA'S REGIONAL DEVELOPMENT POLICY: WHAT IS THE PROBLEM?

The concept of regional development policy was first introduced in Serbia in 2005, under the Strategy for Regional Development of the Republic of Serbia 2007–2012. In the following year, regional development was introduced as a constitutional category, as well. Regional development was thus endorsed as a concept on which Serbia's official development policy would be based on. However, although the Law on Regional Development was passed in 2009, followed by the establishment of the bodies that should help to develop and implement regional development policy (National Agency for Regional Development, RDAs), Serbia still lacks a definite concept of this policy. It is unclear whether the policy should be implemented within the frame of a single sector, or through an inter-sectorial effort.

For 4 years Serbia is without its vision, objectives and priorities in the regional development policy.

Although the partnership principle is considered as one of the cornerstones of the Law on Regional Development, its implementation has remained incomplete. Namely, the Law envisages the establishment of the National Regional Development Council and regional-level development councils, as hubs for cooperation among regional development stakeholders. The National Council is the highest-level body for regional development policy implementation, whereas regional-level development councils should cover each of the statistical regions of Serbia (Vojvodina, Belgrade, Šumadija and Western Serbia, Southern and Eastern Serbia, Kosovo and Metohija). However, these bodies have not held meetings for more than three years. Some of them have not even been founded. Development strategies have not been adopted for each of the regions. The documents adopted by the Belgrade and Vojvodina regions (City of Belgrade Development Strategy and the Development Programme of the Autonomous Province of Vojvodina 2014–2020) do not qualify as such. The state has not recognised chambers of commerce (or organisations of business entities), or CSOs active in the field of socio-economic development, as regional development stakeholders. Thus far, partnership among the stakeholders has been fostered in the informal arena.

As an overall consequence of this policy, Serbia is nowadays a country with substantial regional development disparities. According to the official government statistics, there are only two developed statistical regions in Serbia (Belgrade and Vojvodina), whereas the other three are categorised as underdeveloped. However, it is uncertain whether this trend will be sustained, since Vojvodina's development is inconsistent.

30,35% of local self-government units in Serbia are extremely underdeveloped.

Regional productivity trend

(data source: Ministry of Economy Report on Serbia's Regional Development for 2013)

Statistical regions	Gross domestic product per capita, by year (Serbia = 100)				
	2009	2010	2011	2012	2013
Belgrade	179.4	177.8	172.2	171.4	170.9
Vojvodina	95.2	96.8	99.5	102.6	102.9
Šumadija and Western Serbia	71.4	69.9	67.3	67.6	67.3
Southern and Eastern Serbia	63.3	63.9	63.1	63.3	62.7
Kosovo and Metohija	Data not available	Data not available	Data not available	Data not available	Data not available

The Government's 2015 Work Plan envisages the passage of the Law on Regional Development and the Strategy for Regional Development, as the foundations of its regional development policy. By the time of writing this policy brief, none of these documents have been adopted. It is, therefore, expected that the two documents will be adopted next year and that the solutions proposed therein will serve to ensure right from the start that the new policy is based on partnership and cooperation with stakeholders.

SOLUTIONS

What is the partnership principle?

According to the provisions of the EU cohesion policy, the partnership principle *implies close cooperation between public authorities, economic and social partners and bodies representing civil society at national, regional and local levels throughout the whole programme cycle consisting of preparation, implementation, monitoring and evaluation.* Research has shown that stakeholders recognise a large number of same or similar concepts associated with this provision. In addition, they attach significance to the following principles: transparency, accountability, equality, continuity and bottom-up implementation.

Therefore, stakeholders are not just occasionally involved in policy making and implementation – they participate on equal terms in policy design, development, planning, implementation, monitoring and evaluation. This is the proper way of creating and implementing a policy capable of fulfilling actual needs of citizens and regions.

Serbia

At the moment, Serbia does not have bodies to facilitate cooperation among stakeholders on regional development policy matters. Furthermore, the scope of competence of the regional-level development councils, established in each of Serbia's five statistical regions, is limited. Namely, regional-level development councils have a solely advisory role in the process of creating the regional-level development strategy, which should specify the priorities and courses of development in a particular region. This does not constitute a partnership. Therefore, the state does not apply the partnership principle in its regional development policy.

However, in Serbia, there are good practice examples in implementing the partnership principle in the regional development policy. In those cases, partnership is motivated by the following reasons: shared interest of local government units, certain legal provisions, donors' requirements or requirements of a specific project, RDAs' activities.

Hence, the majority of cases of successful cooperation and partnership occur in the informal context, outside of national or provincial institutions. Most stakeholders highlight the examples of cooperation led by RDAs as the most successful ones.

Regional development agencies

Despite their successfulness, RDAs' initiatives are grass-roots initiatives, which are not a part of the official government policy. In the absence of formal ways to implement the partnership principle, RDAs act as hubs for stakeholders, in accordance with their capacities. Generally, RDAs serve as umbrella organisations gathering stakeholders in their respective regions. Although their majority owners are local government units, their actions involve other stakeholders, as well. Some of the successful RDAs' initiatives include:

- 1)** strategies for regional development;
- 2)** the sector committee system;
- 3)** initiatives for solving problems/issues and advocating solutions;
- 4)** development and management of regional projects.

Strategies for regional development

These documents are not official regional-level development strategies envisaged under the Law on Regional Development; they are documents that specify the priorities, objectives and courses of development of a particular region. Their creation was a joint effort of the representatives of local government units, the business and civil sectors, while the entire process was coordinated by RDAs. Draft strategies were made available for public review. Some RDAs also established working groups to monitor the implementation of the strategies by areas.

However, these strategies are not legally binding. According to stakeholders, the strategies for regional development are usually referred to in project applications, when a project idea needs to be “reinforced”. Stakeholders’ involvement is limited only to the development of certain documents, while their implementation, monitoring and evaluation remains out of reach.

The sector committees system

Sector committees were established by RDAs based on the needs and problems of certain regions, for specific fields of socio-economic development. Committee members are elected from the territory covered by a RDA, from among the representatives of local government units, companies (or organisations of businesses) and CSOs, while ensuring an equal number of members from each of the three sectors. The committees convene on a monthly basis, or more frequently, to discuss issues and propose solutions. Their proposals are translated into project ideas, or advocated to national-level authorities.

Sector committees are facing problems related to their organisation. There are no criteria for election of committee members, while there is a risk that certain interests may be overrepresented. There is also the issue of poor involvement on the part of stakeholders, lack of interest in the committee’s work, while committee members’ knowledge is not at an adequate level. Despite being majority members of RDAs, local government units do not provide systematic or financial support for committees’ operation.

Initiatives for solving problems/issues and advocating solutions

Initiatives involve representatives of local government units, business and civil sectors from a particular region, who identify the needs of the region and propose solutions. The solutions are then advocated to local and national authorities. This is how a region responds to current processes at the national level (e.g. Serbia’s EU accession negotiation process).

As in the case of sector committees, the issue of poor stakeholder involvement is present. The adopted documents are not binding; instead, they are only proposals. Another similarity to the example of sector committees is that there is no continual systemic and financial support.

Development and management of regional projects

This form of partnership is based on an agreement of several local government units in one region. The agreement also includes other stakeholders, such as business sector representatives and CSOs. Task forces are formed to address certain issues, which are identified based on actual needs and problems of a particular region, as in the examples above. Task forces also propose and develop projects and, once the requested funding is approved, task forces become project implementation, monitoring and evaluation units. The funding for their work is usually provided through project activities or by local government units.

This includes the risk of overrepresentation of strong interests of “more prominent partners”, which can prevent others from successfully representing their interests.

Despite these weaknesses, these examples are steps forward in the implementation of the partnership principle. The strengths of the above examples that should be exploited are: stakeholders’ participation in designing, planning, developing, implementing, monitoring and evaluating development activities; stakeholders from different sectors should have an equal number of representatives; identification of actual development needs and priorities in the region in cooperation with stakeholders; keeping regional policy documents transparent throughout the process of their development.

Document	What needs to be amended?	Which part of the document should be amended?
<p>THE LAW ON REGIONAL DEVELOPMENT SHOULD BE AMENDED</p> <p>The Law on Regional Development was passed in 2009, and amended in 2010. There were plans to amend this Law in 2015.</p> <p>It is expected to prolong the amendment of the Law in 2016.</p>	<ul style="list-style-type: none"> • Modify the description of the partnership principle in line with its definition in the EU regional policy; • Describe the foundations for the implementation of the partnership principle; • Prescribe the implementation of the partnership principle as mandatory; • Include adherence to the principles of transparency, accountability, equality and continuity and the bottom-up implementation approach in the description of the partnership principle implementation foundations; • Clearly specify regional development stakeholders; • Align the provisions with the national budget planning system and the EU pre-accession funds management system 	<p>THE PART OF THE LAW THAT REFERS TO:</p> <ul style="list-style-type: none"> • the objectives of the Law; • the principles on which the Law rests; • regional development stakeholders
<p>THE DECISION OF THE PROVINCIAL ASSEMBLY OF VOJVODINA ON THE PROVINCIAL ADMINISTRATION NEEDS TO BE AMENDED</p> <p>The Decision was passed in 2012 and there are no plans for its amendment.</p>	<ul style="list-style-type: none"> • Align the provisions with the national and provincial budget planning system and the EU pre-accession funds management system 	<p>THE PART OF THE DECISION THAT REFERS TO THE AFFAIRS COMMON TO ALL SECRETARIATS</p>

Recommendations

Based on the above examples, their strengths and weaknesses, it is possible to create recommendations for surmounting the absence of partnership from Serbia's regional development policy. As a precondition for successful implementation of the partnership principle in the regional development policy, it is necessary to adopt a new concept of the regional development policy. The new concept needs to be based on a regulated legal and strategic framework.

Here follows the tabular overview of our recommendations for introducing partnership principle into strategic and legislative framework of regional policy in Serbia, in line with EU framework:

Document	What needs to be amended?	Which part of the document should be amended?
<p>A REGIONAL DEVELOPMENT STRATEGY OR NATIONAL PLAN NEEDS TO BE ADOPTED</p> <p>Serbia does not have a strategic document in the sphere of regional development. Its adoption was envisaged in 2015.</p> <p>It is expected to prolong the adoption of such strategic document in 2016.</p>	<ul style="list-style-type: none"> • Define the partnership principle in line with its definition in the EU regional policy; • Describe the foundations for the implementation of the partnership principle; • Include adherence to the principles of transparency, accountability, equality and continuity and the bottom-up implementation approach in the description of the partnership principle implementation foundations; 	<p>THE PART OF THE STRATEGY OR NATIONAL PLAN THAT REFERS TO:</p> <ul style="list-style-type: none"> • strategy objectives; • the concepts or principles; • the action plan;
<p>REGIONAL-LEVEL DEVELOPMENT STRATEGIES NEED TO BE ADOPTED</p> <p>There are no regional-level development strategies for the five regions defined under the Law on Regional Development.</p>	<ul style="list-style-type: none"> • Define the partnership principle in line with its definition in the EU regional policy; • Describe the foundations for the implementation of the partnership principle; • Include adherence to the principles of transparency, accountability, equality and continuity and the bottom-up implementation approach in the description of the partnership principle implementation foundations 	<p>THE PART OF THE STRATEGIES THAT REFERS TO:</p> <ul style="list-style-type: none"> • strategy objectives; • the concepts or principles; • the action plan;

Although Serbia is nowadays faced with wide regional development disparities and lacks a clear policy for addressing those disparities, it still has scope to start over. Namely, Serbia is currently engaged in the EU accession negotiations, a process that changes the entire society. Riding the wave of these changes, Serbia is in a position to plan and introduce a new regional development policy. However, the government needs to do that in cooperation with those who have a stake in that policy (stakeholders). Only then will this policy be able to fulfil the needs of the citizens and regions.

A policy that affects everyone should be decided by everyone. Regional development is exactly that sort of policy.



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