

KEY FINDINGS FROM THE SHADOW REPORT ON SECTOR WORKING GROUP ON COMPETITIVENESS AND INNOVATION

RELEVANT SECTOR POLICIES

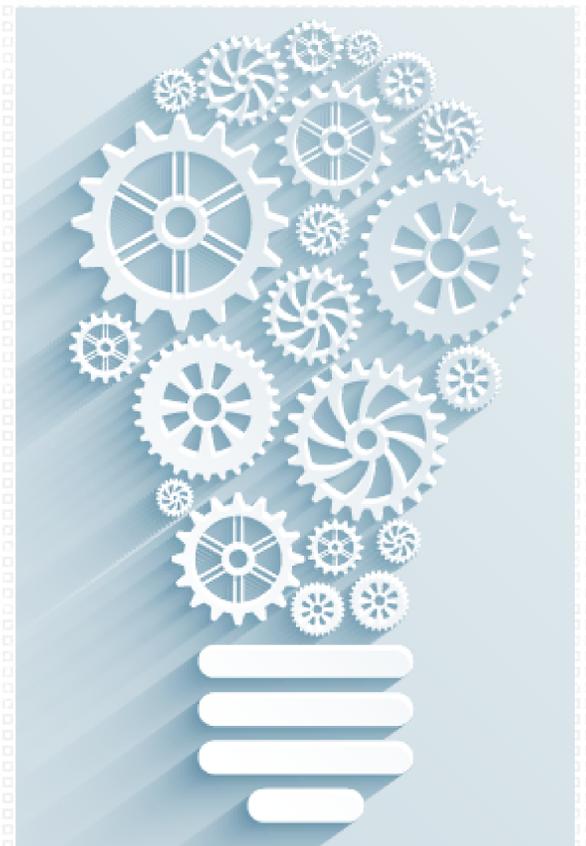
In 2020, no strategy documents or legislation were adopted in this sector. However, activities were taken on drafting two relevant legislative acts whose publication is postponed for early months of 2021.

The first document concerns a new Proposed Law on Public-Private Partnerships whose texts was published in the Single National Register of Legislation (ENER) in March 2021, allowing information and involvement of the public in development of this piece of legislation. The new law is proposed by the Ministry of Economy, and its adoption is justified with the need to transpose the Directive 2014/23/EU on award of concession contracts and further alignment with best standards and international practices in this area, i.e. development of stable and consistent legal framework on award of public-private partnership contracts, including concessions as type of public-private partnerships.

The second document concerns a Proposed Law on Insolvency, whose draft text was also published on ENER in March 2021. This draft law was developed by the Ministry of Economy, in cooperation with the International Financial Corporation – IFC (World Bank Group). It should enable protection for investors and their businesses, more flexible and streamlined procedure for small businesses, clarification of conditions for trustee participation in bankruptcy procedures. Also, it features provisions on timely restructuring of enterprises

that are facing difficulties in order to allow debtors to negotiate debt settlement options with their trustees. At the same time, the law is intended to transpose the Directive 2019/1023 of the European Parliament and the Council from 20.06.2019 on the preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending the Directive (EU) 2017/1132 (restructuring and insolvency).

Although announced, the Smart Specialization Strategy as a comprehensive model for sustainable economic growth was not finalized in 2020. The purpose of this strategy is to ensure coherence with and provide an added value to the industry policy, as well as strategies on competitiveness, innovation, research and development. Delays in strategy finalization were justified with state of emergency conditions brought about by the COVID-19 pandemic.



SWG COMPETITIVENESS AND INNOVATION

- ◆ **FORMED:** 2015
- ◆ **NUMBER OF SWG MEMBERS:** this information is not publicly available and was not secured under the instrument for free access to public information
- ◆ **CSO REPRESENTATIVES:** 0
- ◆ **NUMBER OF MEETINGS HELD IN 2020:** one meeting, 22.06.2020
- ◆ **SWG CHAIR:** Deputy Prime Minister for Economic Affairs, Coordination of Economic Sectors and Investments

SWG FUNCTIONALITY

- ◆ SWG uses the standard **rules of procedure**, which provide a detailed list of sector group members.
- ◆ SWG **does not have separate decision on establishment** and operates according to general decision for establishment of all sector working groups, **whereby it does not have defined membership composition** of relevant ministries, other state institutions and non-state actors.
- ◆ SWG **does not publish** minutes from its sessions.
- ◆ SWG **does not develop annual work plans** and does not adopt annual work reports.

CIVIL SOCIETY PARTICIPATION

- ◆ In 2020, this sector group **did not involve civil society organisations in its work**, in capacity of members or observers.
- ◆ SWG representatives declare they are **open to CSOs**, but believe that formal membership of CSOs is limiting and therefore call any interested parties to **address them** for participation in SWG work.
- ◆ **4 chambers of commerce** participate in this sector group as representatives of the so-called **non-state actors**.

CSO CAPACITY

- ◆ SWG **does not have members** from the ranks of CSOs in order to assess their capacity for participation.

EFFECTS FROM SWG WORK

- ◆ Although SWG should hold at least 4 meetings per year, in 2020 only **one meeting** is organized to discuss IPA 3.
- ◆ SWG representatives indicate regular monitoring of foreign aid and perceive their **main role in coordination of institutions** related to priority setting for projects funded by donors.
- ◆ According to SWG representatives from the line of chambers of commerce, this sector group **should discuss policies and directions** to stimulate competitiveness and innovation.

WHAT NEEDS TO CHANGE:

- ◆ **Take measures to increase transparency** in SWG operation.
- ◆ **Amend the rules of procedure** in order to define the model for selection of civil society representatives, their role and mandate.
- ◆ Involve civil society representatives in **all stages of creating** documents that fall within SWG's scope of work.
- ◆ Create **annual plan** on SWG work in the first quarter of the year.
- ◆ Publish all necessary documents related to SWG work on **MoH's website**.