# Minutes from the meeting of the Sector Working Group for Competitiveness

Date: November 28, 2013

Venue: SEIO

Time: 09:30-11:00

1. **Optimal Strategic Framework in Competitiveness sector**

*The purpose of this topic was to discuss optimal strategic framework per sector based on the discussion paper “Moving to strategic frameworks for each sector in 2014-2020” prepared by SEIO. The paper sets the proposal for a coherent and comprehensive strategic framework that concentrates assistance, maximises impact and takes into account the cross-sector synergies.*

**Comments**

SEIO:

* Strategic framework consists of at least 15 sector strategies and 5 multi-sector strategies which raises questions regarding maturity of sector policy and rediness for sector approach
* There are proposal to improve strategic framework by preparation of single economic development strategy and 4 subsector strategies (related to the business environment, industrial development and entrepreneurship, research and development and ICT development)
* This proposal is in line with the recent Enlargement strategy which suggests development of single economic reform strategy with for programs

Ministry of External and Internal Trade and Telecommunications (MoEITT):

* MEITT has announced that a new broadband strategy which will be one of the core strategies in ICT sub-sector is under development. This strategy should be the umbrella for existing 5 strategies in ICT field

Ministry of Economy (MoE):

* Current SME competitiveness and innovation strategy will expire this year and a new one called Competitiveness and Entrepreneurship Development Strategy is under preparation. Small Business Act shall remain the main policy document and a business environment will continue to be in focus as a one of eight pillars.
* MoE suggested keeping Industrial Development Strategy 2011-2020 as an umbrella document in this sector and preparing operational sub-sector documents (or programs) oriented towards the implementation

Ministry of Education, Science and Technological Development (MoESTD)

* Current Research and Development Strategy will expire 2015 and a new one called Research and Development Strategy for Innovation will be prepared under IPA 2013 project. The Strategy will focus among others on the development of national research infrastructure

EU Delegation:

* All the strategies should be more coherent
* It is important to specify how these strategies are linked to horizontal strategies (i.e. SEE 2020 and NPRD)
* The precondition for the IPA 2013 assistance is the adoption of business enabling environment action plan and this should be taken into the account during the process of the consolidation of strategic framework and preparation of new Competitiveness and Entrepreneurship Development Strategy

**2. CSP, Other Donor Plans and Prioritisation for Further Assistance**

*The purpose of this topic was to discuss the most efficient way on how to make prioritisation based on the existing programming documents – Country Strategy Paper and NAD (“Priorities for International Assistance in the period 2014-2017 with the projections until 2020”). The short presentation of the CSP was envisaged by the EC, since the document was delivered to the Serbian administration only few days before the SWG meetings.*

 **2.1. Country Strategy Paper**

**Comments**

DG Enlargement:

* The focus of the CSP is on development of business environment, economic governance, R&D and support to SMEs
* It is in everybody’s interest to have more coherent strategies
* Indicators should be more elaborated and they should enable the comparison of achieved progress between different countries, even though that Small Business Act provides good comparison between countries. It is preferable to use indicators provided by international organisations

USAID:

* The CSP will help focus on the most important things, it moves from strategic level to action plans

**2.2. Prioritisation for Further Assistance**

**Comments**

Participants from ministries:

Ministry of Education, Science and Technological Development (MoESTD):

* Assistance should be focused on transfer of knowledge to industry and development of science and research infrastructure

Ministry of Economy (MoE):

* Assistance should be focused on improving business environment, especially legal environment which is collaborative effort of several national institutions, implementation of laws and reduction of bureaucratic burden on central and local level, inspection reform, transfer of acquis, support to privatisation process, access to finance of SMEs
* Support to local authorities, land property management, and support local governments in business infrastructure development

Ministry of External and Internal Trade and Telecommunication (MoEITT):

* Assistance should be focused on development of broadband infrastructure and development of services

SEIO:

* Sequencing matters. Development of business infrastructure could be midterm priority while the preparation of the necessary documentation for the development of business infrastructure is a short term priority.
* Access to finance is important; therefore usage of EDIF funds should be coordinated among national institutions.
* Support to EU programmes in this field is short term priority. Support to local authorities, especially in the field of land management and post privatization activities will be required and it should be considered as midterm priority.
* Regarding transfer of knowledge, follow up to previous projects such as EIB loan should be considered.
* Public-private partnerships environment should be strengthened.
* Consumer protection should be supported as a part of negotiation process.

EU Delegation:

* IPA 2014 should be considered as funds for midterm priorities, since implementation of this programme shall begin in 2015 and onwards. For any urgent interventions, unallocated envelope can be used.

Germany:

* Stronger ownership by the ministries is necessary because otherwise projects are functioning in the isolated environment

Swiss Cooperation office:

* The list of projects related to development of business environment will be exchanged with SEIO

World Bank:

* Since the World Bank is involved in project related to the privatisation of public companies, short term priority will be support for the privatisation agency which will have new role in this process and midterm priority will be implementation of active labour market policies

USAID:

* USAID is involved in a series of projects related to business environment and improvement of competitiveness at the local level.
1. **Evaluation Findings and Recommendations**

*The purpose of this topic was to discuss the evaluation findings made for the Competitiveness sector in order to improve upcoming programming process by providing inputs for the first stage of the new cycle. The purpose of evaluation process is to contribute to the design of interventions, including political priorities, to assist in efficient allocation of resources, improve the quality, and to report on the achievements of overall development assistance.*

# Since the Evaluation of Competitiveness sector was approved several days before this meeting, national institutions will receive amended table of follow-up actions, which will include recommendations from two evaluations of this sector (EUD evaluation and Sectoral evaluation financed by SIDA).

* Follow-up actions to evaluation findings will be the subject of first SMSC meetings under Decentralized Management.