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**NALED**

NATIONAL ALLIANCE FOR LOCAL ECONOMIC DEVELOPMENT

# PUBLIC-PRIVATE DIALOGUE FOR GROWTH PROJECT



[www.jpdpd.rs](http://www.jpdpd.rs)

## WHAT IS PUBLIC PRIVATE DIALOGUE?

Public-Private Dialogue (PPD) is a process that involves communication between citizens, businesses and civil society organizations on one hand, and the state, local governments, public enterprises and other institutions on the other, regarding the matters of public interest, particularly the ones relating to the content of legislation and the manner of law implementation.

PPD has many different forms: public debates on legislative proposals, public hearings in the Assembly, participation of citizens' and businesses' representatives in the work of public bodies, informing the public about the reforms that are being considered or implemented, delivering comments, remarks and opinions to state bodies, citizens and businesses opinion survey on public policies and implementation of regulations, exchange of opinions at roundtables and conferences, etc.

Public-private dialogue represents a true partnership between the private, civil and public sectors, with its essence being two-way communication.

## PPD IN SERBIA

Although good regulations and their adequate application are the essential interest of all participants, the PPD practice in Serbia is still not established as a regular one. According to the Regulatory Index of Serbia for 2017/18, 60% of laws relevant for business did not go through a public hearing in the previous year, 90% was made by urgent procedure, while half of the draft laws were not available on websites of the relevant ministries.

According to a survey conducted by Ipsos in June 2018 for NALED, the biggest obstacle to implementing the dialogue indicated by public sector is the lack of time for businesses to be included, because some regulations have to be developed urgently (46%). However, associations believe that the public sector does not have sufficient capacity to process all the comments they propose (67%), while businesses resent that the Government is only copying EU regulations without consulting them (48%). Also, research has shown that business associations are far more active and achieve better results in public-private dialogue than individual businesses.

## The importance of PPD for economic development

The experience and knowledge of the private sector regarding the implementation of regulations in Serbia, good practices and legal solutions that exist in more developed countries can be of great help to public administration when designing reforms to improve the investment climate. Early involvement of businesses and business associations in drafting legislation ensures their later application in practice. Along with strengthening trust between state institutions and the economy, public-private dialogue contributes to the legitimacy, transparency and predictability of the legislative decision-making process.

**40%**

of public sector representatives say there is no one in charge of communication with businesses in their institution

**58%**

of public sector representatives think regulations would be significantly better if they consulted the businesses

**60%**

of businesses negatively assess the quality of PPD, the same number says they aren't member of any association

**75%**

of businesses did not participate in any consultations about drafting regulations in the last 12 months

## ABOUT THE PROJECT

The Public Private Dialogue for Growth Project helps build effective and sustainable cooperation and communication between the state, businesses and the civil society.

Key activities and expected results in the period 2018-2021:

- Capacity building for public-private dialogue in state institutions and six selected businesses associations or civil society organizations
- Support for advocating and implementing six key reforms to improve the business environment
- Creating the first guide, online training programs, models and tools for public-private dialogue
- Establishing PPD Hub as a central place for public-private dialogue

### Topics in focus

In the first year of the project, three business associations and three priority reform topics were selected to receive support in PPD, jointly conducted by the state and business community.

Beekeeping Association of Serbia (SPOS) initiated the issue of tackling bee poisoning in Serbia.

Association for the Development of Entrepreneurship (URP) advocates the improvement of the lump-sum taxation system.

Agro Cluster of Serbia (AKS) is dedicated to elimination of regulatory obstacles to organic production.

**76%**

of public sector representatives think that the level of dialogue with businesses is high

**80%**

of business associations has participated in the dialogue regarding the drafting or implementation of regulations



The Public Private Dialogue Project is funded by the United States Agency for International Development (USAID) and implemented by the National Alliance for Local Economic Development (NALED) in cooperation with the National Public Policy Secretariat

This publication is made possible by the support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of NALED and do not necessarily reflect the views of USAID or the United States Government

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