

# **3**

## **Overview of key findings**

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This chapter provides an overview of the key findings of the Competitiveness Outlook 2021 for each of the 16 policy dimensions covered in the assessment, as well as the complete scores for each dimension, sub-dimension and qualitative indicator. Full details of the methodology and the background to this assessment are contained in the Assessment methodology and process chapter.

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## Key findings by dimension

### **Dimension 1: Investment policy and promotion**

Overall, the markets in all WB6 economies are open to FDI, and exceptions to national treatments are limited. All the economies have established regulatory environments for investment and foreign investors have the same rights and remedies before their court systems as domestic investors. However, commercial disputes are costly and lengthy in WB6 most economies, and public awareness, familiarity and use of dispute resolution tools remain low in general. All six economies have established investment promotion agency (IPA) structures and strategies to promote and facilitate investment efficiently. Most IPAs are autonomous public agencies similar to those in OECD countries. The IPA boards in the region have varying compositions, and their roles range from supervisory to advisory. However, all mandates include the promotion and facilitation of inward FDI. In addition, export and innovation promotion are the most recent additions to the investment promotion mandate of the region's agencies. However, financial constraints are an important common challenge for the region's IPAs. All WB6 economies are generally in the early development stages of green investment policy and promotion initiatives. Every economy has shown commitment to establishing and revising environmentally conscious legislation and long-term strategies for the environment. Yet only half of the economies have a clear strategy or programme for attracting and incentivising green investment, or clearly outlining green growth priorities.

**Table 3.1. Scores and indicators for investment policy and promotion**

	ALB	BIH	KOS	MKD	MNE	SRB	WB6
<b>1. Investment policy and promotion dimension average</b>	<b>3.1</b>	<b>2.7</b>	<b>2.0</b>	<b>3.0</b>	<b>3.2</b>	<b>3.9</b>	<b>3.0</b>
<b>1.1. Investment policy framework</b>	<b>2.9</b>	<b>2.9</b>	<b>2.4</b>	<b>3.5</b>	<b>3.6</b>	<b>4.1</b>	<b>3.2</b>
Legal frameworks for investment	3.5	2.0	2.5	3.0	3.5	4.0	3.1
Exceptions to national treatment	3.5	3.5	4.0	3.5	4.0	4.0	3.8
Investor protection against expropriation	3.0	4.0	2.0	4.0	3.0	4.5	3.4
Alternative dispute resolution	2.0	2.5	2.0	3.5	3.5	4.0	2.9
Intellectual property rights legal framework	3.0	3.0	2.0	4.0	4.0	4.0	3.3
Intellectual property rights enforcement	2.0	2.5	2.0	3.5	3.0	4.0	2.8
Intellectual property rights awareness raising and access to information	3.5	2.5	2.0	3.0	4.0	4.0	3.2
<b>1.2. Investment promotion and facilitation</b>	<b>3.4</b>	<b>2.7</b>	<b>2.4</b>	<b>2.8</b>	<b>2.8</b>	<b>3.9</b>	<b>3.0</b>
Investment promotion agency structure and strategy	4.0	2.0	2.0	3.0	2.0	4.0	2.8
Investment facilitation services and activities	3.5	2.0	3.0	2.0	2.5	3.5	2.8
Investor targeting	3.5	3.5	2.0	3.0	3.5	4.0	3.3
Investor incentives	2.5	2.5	1.0	4.0	2.5	4.0	2.8
Aftercare activities	3.5	3.5	4.0	2.0	3.5	4.0	3.4
<b>1.3. Investment for green growth</b>	<b>2.8</b>	<b>2.0</b>	<b>0.0</b>	<b>1.5</b>	<b>3.0</b>	<b>3.0</b>	<b>2.0</b>
Green investment policy and promotion	3.0	2.5	0.0	1.0	3.0	3.0	2.1
Choosing public and private provisions for green growth	2.5	1.5	0.0	2.0	3.0	3.0	2.0

Note: Please see the Assessment methodology and process chapter for more information about the score levels in general and the Investment policy and promotion chapter for more information about the scoring in this particular policy dimension.

## Dimension 2: Trade policy

Policy frameworks for trade have been strengthened in all WB6 economies. Inter-institutional co-ordination is also strong in most economies, and there are formal instruments for consultation with the private sector. However, implementation and evaluation vary across economies. The WB6 economies are well integrated commercially with their main trading partners – i.e. the EU and each other – within the Central European Free Trade Agreement (CEFTA). However, integration with other economies is still rather limited. While the WB6 continue to develop their networks of bilateral and multilateral trade agreements, they do so at varying rates, and treaties with non-EU states are still relatively rare. Global integration is still an issue, with Bosnia and Herzegovina and Serbia's accession process to the World Trade Organization (WTO) still ongoing. This may limit the benefits of favourable regulatory regimes for FDI. Notable improvements have been made in the sphere of trade in services through the adoption of Additional Protocol 6 to CEFTA in December 2019. This has given impetus in the region to reform the regulatory regimes for services. Nevertheless, the extent of liberalisation depends on the economy and the sector under analysis. A number of regulatory restrictions remain, limiting the attractiveness of certain sectors to foreign providers even though the region is relatively open to trade. In e-commerce, all economies have taken steps to strengthen their legal frameworks. They have continued to align their sectoral laws with the EU E-Commerce Directive and have made efforts to remove non-tariff barriers to e-commerce. The emergence of the global pandemic and the growing importance of digital trade have driven government responses in this area. However, with regulatory frameworks evolving heterogeneously across the WB6, the economies respond differently to the challenges of global e-commerce.

**Table 3.2. Scores and indicators for trade policy**

	ALB	BIH	KOS	MKD	MNE	SRB	WB6
<b>2. Trade policy dimension average</b>	<b>3.3</b>	<b>2.5</b>	<b>3.5</b>	<b>3.8</b>	<b>3.2</b>	<b>3.8</b>	<b>3.4</b>
<b>2.1. Trade policy framework</b>	<b>3.5</b>	<b>2.8</b>	<b>3.8</b>	<b>3.8</b>	<b>3.5</b>	<b>3.8</b>	<b>3.5</b>
Institutional co-ordination on trade policy formulation	3.5	2.5	3.5	4.0	3.5	4.0	3.5
Public-private consultation	3.5	3.0	4.0	3.5	3.5	3.5	3.5
Network of free-trade agreements	n.a.						
OECD Trade Facilitation Indicators	n.a.						
<b>2.2. Trade in services restrictiveness</b>	<b>n.a.</b>						
Transport and distribution supply chain	n.a.						
Market bridging and supporting services	n.a.						
Physical infrastructure services	n.a.						
Digital network services	n.a.						
<b>2.3 E-commerce and digitally enabled services</b>	<b>3.0</b>	<b>2.0</b>	<b>3.0</b>	<b>4.0</b>	<b>2.5</b>	<b>4.0</b>	<b>3.1</b>
E-commerce policy framework	3.0	2.0	3.0	4.0	2.5	4.0	3.1
Trade in digitally enabled services restrictiveness	n.a.						

Note: Please see the Assessment methodology and process chapter for more information about the score levels in general and the Trade policy chapter for more information about the scoring in this particular policy dimension. N.a. = indicator has a different scoring system so results are presented in the text, not in the table.

### Dimension 3: Access to finance

The legal and regulatory frameworks for the banking industries are generally well developed in all WB6 economies, being aligned with Basel II and III requirements. The private sector relies heavily on bank financing in the region. However, collateral requirements remain high, hindering small and growing businesses from accessing credit and securing loans. The six economies have all improved their alternative financing sources, although in practice the use of alternative financing tools is limited in the region. The most progress has been made on regulations for factoring and leasing policies: all WB6 economies have legal frameworks to regulate factoring options and leasing services benefit from dedicated legislation. Private equity and venture capital are generally in the early stages of development in the region, as is crowdfunding. With the exception of Montenegro, none of the WB6 economies have dedicated laws for crowdfunding. Business angel networks are increasingly being used despite the lack of legal frameworks for defining and regulating them. When it comes to the mobilisation of long-term financing, each WB6 economy has adopted a dedicated legal framework for public-private partnerships (PPP) that enables private participation in infrastructure projects. They also have a specialised government entity that facilitates PPP programmes. According to an external assessment, the region performs best on procurement of PPPs, though there is room for improvement in the preparatory activities that take place prior to launching the procurement process for a PPP project. Access to equity capital through the stock market is limited. The low level of activity and liquidity in the stock market is a barrier for companies using it to raise new capital.

**Table 3.3. Scores and indicators for access to finance**

	ALB	BIH	KOS	MKD	MNE	SRB	WB6
<b>3. Access to finance dimension average</b>	<b>2.5</b>	<b>2.3</b>	<b>2.1</b>	<b>2.4</b>	<b>2.7</b>	<b>3.3</b>	<b>2.6</b>
<b>3.1. Access to bank finance</b>	<b>3.5</b>	<b>3.1</b>	<b>3.4</b>	<b>3.0</b>	<b>3.1</b>	<b>4.4</b>	<b>3.4</b>
Banking industry	3.5	3.3	3.0	3.0	3.5	4.5	3.5
Register	4.0	3.0	4.0	3.0	4.0	4.5	3.8
Collateral requirements	2.5	2.5	2.5	2.0	2.5	3.5	2.6
Credit information services	4.0	3.5	4.0	4.0	2.5	5.0	3.8
<b>3.2. Access to alternative financing sources</b>	<b>2.0</b>	<b>1.6</b>	<b>1.8</b>	<b>1.6</b>	<b>2.1</b>	<b>2.5</b>	<b>1.9</b>
Factoring	3.5	3.5	3.5	2.5	4.0	4.0	3.5
Leasing	3.5	4.0	4.0	3.5	3.5	4.0	3.8
Private equity, venture capital	1.0	1.0	1.5	1.5	2.0	2.0	1.5
Business angel networks	0.0	0.0	1.0	1.0	1.0	1.0	0.7
Crowdfunding	0.0	0.0	0.0	0.5	1.0	0.0	0.3
Blockchain	4.0	1.0	1.0	0.5	1.0	4.0	1.9
<b>3.3. Mobilisation of long-term financing</b>	<b>2.3</b>	<b>3.0</b>	<b>0.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.8</b>	<b>2.8</b>
Access to stock markets	2.5	3.0	0.0	3.5	3.5	3.5	2.7
Access to bond markets	2.0	3.0	1.0	3.5	3.5	4.0	2.8

Note: Please see the Assessment methodology and process chapter for more information about the score levels in general and the Access to finance chapter for more information about the scoring in this particular policy dimension.

### Dimension 4: Tax policy

In general, the WB6 economies have made significant efforts to strengthen their tax administrations. They all have a unified tax administration body (except for Bosnia and Herzegovina due to its specific institutional setup), reflecting OECD best practice. All the tax administrations mix a taxpayer with a functional approach. This means that their internal organisation mostly reflects the various tax administration functions (audit, tax collection, taxpayer services, etc.), but there are also divisions targeted at specific taxpayer groups, such as large taxpayers or small and medium-sized enterprises (SMEs). The WB6 economies rely significantly on revenues from social security contributions (SSC) and taxes on goods and services to fund their health system and public spending programmes. Consequently, other taxes play a smaller role. Revenues from personal income tax (PIT) are low in the region, partly explained by low PIT rates and high basic allowances. The WB6 economies could consider rebalancing revenue from SSCs to PIT, perhaps with those economies with flat rates introducing a progressive PIT rate schedule. The region's involvement with international tax initiatives and alignment with international tax trends are increasing. Notably, since the last assessment all the economies with the exception of Kosovo, have joined the Inclusive Framework on base erosion and profit shifting (BEPS), and have also implemented the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS. In addition, the WB6 economies all carry out some form of regional co-operation and co-ordination. However, the region would benefit from greater regional tax co-ordination and tax co-operation to tackle tax avoidance and evasion coherently.

**Table 3.4. Scores and indicators for tax policy**

	ALB	BIH	KOS	MKD	MNE	SRB	WB6
<b>4. Tax policy dimension average</b>	<b>2.8</b>	<b>2.6</b>	<b>3.4</b>	<b>3.3</b>	<b>2.8</b>	<b>3.1</b>	<b>3.0</b>
<b>4.1. Tax policy framework</b>	<b>3.0</b>	<b>2.9</b>	<b>2.8</b>	<b>3.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.6</b>
Investment incentives	3.0	3.0	2.0	3.0	2.0	2.5	2.6
Tax revenues	3.0	2.8	3.0	3.1	2.0	3.0	2.8
Modelling and forecasting	3.0	3.3	3.0	5.0	3.0	2.5	3.3
Tax expenditure reporting	3.0	2.5	3.0	1.0	1.0	0.0	1.8
<b>4.2. Tax administration</b>	<b>2.7</b>	<b>2.4</b>	<b>4.0</b>	<b>3.5</b>	<b>3.4</b>	<b>3.9</b>	<b>3.3</b>
Functions and organisation	3.0	1.5	4.0	3.0	3.0	5.0	3.3
Compliance assessment and risk management	3.0	3.5	4.0	3.9	3.0	3.5	3.5
Independence and transparency	0.5	0.0	4.0	3.0	3.0	2.5	2.2
Tax filing and payment procedures	3.0	3.3	4.0	3.3	4.0	3.5	3.5
Taxpayer services	4.0	3.8	4.0	4.5	4.0	5.0	4.2
<b>4.3. International co-operation</b>	<b>n.a.</b>						
International taxation framework	n.a.						
Digital taxation							
Regional co-operation							

Note: Please see the Assessment methodology and process chapter for more information about the score levels in general and the Tax policy chapter for more information about the scoring in this particular policy dimension. N.a. = indicator has a different scoring system so results are presented in the text, not in the table.

### Dimension 5: Competition policy<sup>1</sup>

Overall, the WB6 economies' legal and institutional competition frameworks are largely aligned with best international practice, including EU competition rules. Although the WB6 competition authorities are committed to enforcing competition rules and advocating against competitive restrictions in laws and regulations, they are limited by a lack of financial and professional resources. In general, implementation of competition decisions is still insufficient, especially for cartels. Above all, sanctions for infringers are not high enough to deter firms from engaging in anti-competitive conduct. Moreover, the fight against cartels

requires the WB6 competition authorities to make full use of their investigative powers, yet some of the WB6 competition authorities have not yet carried out inspections, and others have only started very recently. All WB6 competition authorities have engaged in competition advocacy, which is a necessary element of competition enforcement to avoid legal constraints and promote a culture of competition.

### **Dimension 6: State-owned enterprises**

Most of the WB6 economies lack ownership policies outlining why the state owns companies and what it expects them to achieve. As a result, performance objectives are ad hoc and there is limited accountability among state actors for SOEs' performance. Small steps have been taken to improve SOE board appointments in some of the WB6 economies, for instance by introducing basic qualifications criteria or requirements for independent directors on boards. Although SOEs are mostly subject to sound basic requirements for financial reporting, compliance with these financial requirements is not consistent. There is also significant scope to strengthen disclosure by the state as shareholder, notably through aggregate reports analysing the performance of all SOEs. The legal and regulatory treatment of SOEs is broadly aligned with that of private companies across the WB6 region. However, the existence of the separate legal form of "public enterprise" for some SOEs in several economies may unwittingly distort the playing field with private companies. Many SOEs do not earn economically significant rates of return – this inefficient allocation of resources should be addressed through structural reforms of individual enterprises.

**Table 3.5. Scores and indicators for state-owned enterprises**

	ALB	BIH	KOS	MKD	MNE	SRB	WB6
<b>6. State-owned enterprises dimension average</b>	<b>2.3</b>	<b>2.0</b>	<b>3.1</b>	<b>2.3</b>	<b>2.7</b>	<b>3.1</b>	<b>2.6</b>
<b>6.1. Efficiency and performance through improved governance</b>	<b>1.6</b>	<b>1.6</b>	<b>3.1</b>	<b>1.8</b>	<b>2.3</b>	<b>2.8</b>	<b>2.2</b>
Clarification of ownership policy and rationales	1.5	1.0	3.0	1.5	2.0	3.0	2.0
Professionalising state ownership	2.0	1.3	3.5	1.5	2.0	3.0	2.2
Robust board nomination framework	2.0	1.5	3.5	2.0	2.5	2.5	2.3
Promoting independent and professional boards	1.0	2.5	2.5	2.0	2.5	2.5	2.2
<b>6.2. Transparency and accountability practices</b>	<b>2.8</b>	<b>2.5</b>	<b>3.2</b>	<b>2.8</b>	<b>3.0</b>	<b>3.5</b>	<b>3.0</b>
Financial and non-financial reporting	2.5	2.0	3.5	2.5	3.0	3.5	2.8
Auditing practices	3.0	2.5	3.0	2.5	3.0	4.0	3.0
Protection of minority shareholders	3.0	3.0	3.0	3.5	3.0	3.0	3.1
<b>6.3. Ensuring a level playing field</b>	<b>2.8</b>	<b>2.0</b>	<b>3.0</b>	<b>2.5</b>	<b>3.0</b>	<b>3.3</b>	<b>2.8</b>
Legal and regulatory treatment	3.5	2.0	4.0	3.0	3.5	3.5	3.3
Access to finance	2.0	2.0	2.0	2.0	2.5	3.0	2.3
<b>6.4. Reforming and privatising state-owned enterprises</b>	<b>n.a.</b>						

Note: Please see the Assessment methodology and process chapter for more information about the score levels in general and the State-owned enterprises chapter for more information about the scoring in this particular policy dimension. N.a. = indicator has a different scoring system so results are presented in the text, not in the table.

### Dimension 7: Education policy

Secondary school students in the WB6 economies performed below their peers in CEEC-11<sup>2</sup> and OECD countries on the 2018 Programme for International Student Assessment (PISA). Around half of the WB6 students who participated in PISA did not achieve baseline proficiency in reading, mathematics or science, compared to one-fifth of students in OECD countries. The WB6 economies have made progress in the design and implementation of education policies, which aim to improve the quality, equity and inclusiveness of their education systems. Most of the WB6 economies have also adopted new strategies to improve the quality of their pre-university education, although they vary in their comprehensiveness, implementation progress and monitoring. Furthermore, all the WB6 economies have developed or are developing competency-based curricula and learning standards. The WB6 economies have also achieved a significant reduction in the level of early school leavers and made progress in increasing the coverage of early childhood education. However, enrolment rates in pre-primary education are still below the EU and OECD average. Teachers' participation in professional development activities is also below the OECD and EU averages. While the WB6 economies have made progress in strengthening the governance of vocational education and training (VET), gaps in core literacy and numeracy skills between VET and general students remain high, according to the 2018 PISA assessment. The low employment rates of recent graduates are a challenge, indicating that there is significant room to improve the labour market relevance of higher education. Data collection remains a cross-cutting challenge across various sectors, particularly in VET and tertiary education. While most WB6 economies have developed education information management systems (EMIS), they do not systematically exploit and analyse the data collected or comprehensively report on overall progress to inform policy.

**Table 3.6. Scores and indicators for education policy**

	ALB	BIH	KOS	MKD	MNE	SRB	WB6
<b>7. Education policy dimension average</b>	<b>3.3</b>	<b>2.1</b>	<b>3.2</b>	<b>2.9</b>	<b>3.2</b>	<b>3.2</b>	<b>3.0</b>
<b>7.1. Early childhood and school education</b>	<b>3.3</b>	<b>2.2</b>	<b>3.5</b>	<b>2.3</b>	<b>3.2</b>	<b>3.5</b>	<b>3.0</b>
Early childhood education	3.0	2.0	3.5	2.5	3.5	2.5	2.8
Instructional system	4.0	2.5	2.5	2.5	2.0	4.0	2.9
Prevention of early school leaving	3.0	2.0	4.5	2.0	4.0	4.0	3.3
<b>7.2. Teachers</b>	<b>3.5</b>	<b>1.5</b>	<b>2.3</b>	<b>2.5</b>	<b>3.3</b>	<b>3.3</b>	<b>2.7</b>
Initial teacher education	3.5	1.5	2.0	2.5	3.0	2.5	2.5
Professional development of teachers	3.5	1.5	2.5	2.5	3.5	4.0	2.9
<b>7.3. VET</b>	<b>3.3</b>	<b>2.0</b>	<b>3.3</b>	<b>3.5</b>	<b>3.5</b>	<b>3.3</b>	<b>3.1</b>
VET governance	3.5	2.0	3.0	4.0	4.0	3.5	3.3
Work based learning	3.0	2.0	3.5	3.0	3.0	3.0	2.9
<b>7.4. Tertiary education</b>	<b>3.0</b>	<b>2.8</b>	<b>2.8</b>	<b>3.0</b>	<b>2.8</b>	<b>2.5</b>	<b>2.8</b>
Equity in access to higher education	2.5	2.5	2.5	2.5	2.0	2.5	2.4
Labour market relevance and outcomes	3.5	3.0	3.0	3.5	3.5	2.5	3.2
<b>7.5. Cross-cutting sub-dimension: System governance</b>	<b>3.5</b>	<b>1.5</b>	<b>4.0</b>	<b>4.0</b>	<b>3.5</b>	<b>3.5</b>	<b>3.3</b>

Note: Please see the Assessment methodology and process chapter for more information about the score levels in general and the Education policy chapter for more information about the scoring in this particular policy dimension.

## Dimension 8: Employment policy

The WB6 economies have made some progress on their employment regulatory frameworks and policies, improving the functioning and flexibility of their labour markets. Some economies have improved the regulatory framework for non-standard forms of work and occupational health and safety. However, implementation of the regulatory framework remains a challenge. Labour inspectorates continue to lack capacity and tackling informal employment poses a key challenge. Although the role of tripartism in regulating employment issues is stronger, workplace representation and collective bargaining remain weak. Most economies have made significant progress in analysing skills mismatches and have started to set up strategies to reduce them. Although improvements have been made to help young people gain work experience, the education system is largely failing to produce the skills employers need. Moreover, school-to-work transition mechanisms are not very effective, participation in upskilling and skills adaptation activities among both the employed and unemployed is low, and emigration exacerbates skills shortages and skills gaps. Participation in adult learning is only about one-quarter of the EU average; relevant initiatives consist mainly of systems to recognise and validate prior learning and some small-scale measures for the low-skilled and unemployed. Most economies have been successful in their efforts to increase female employment rates; however, they remain 20 percentage points below OECD and EU averages. The WB6 economies have improved the capacities of their public employment services by introducing tools to better profile the unemployed and creating individual job seekers' action plans. Active labour market programmes have become better targeted, although vulnerable groups and minority groups continue to be less well covered. Unemployment benefits and means-tested minimum income schemes are not very generous and job-search requirements are not sufficiently implemented.

**Table 3.7. Scores and indicators for employment policy**

	ALB	BIH	KOS	MKD	MNE	SRB	WB6
<b>8. Employment policy dimension average</b>	<b>2.8</b>	<b>2.0</b>	<b>1.6</b>	<b>3.3</b>	<b>3.0</b>	<b>2.8</b>	<b>2.6</b>
<b>8.1. Labour market governance</b>	<b>2.8</b>	<b>2.1</b>	<b>1.8</b>	<b>3.3</b>	<b>3.0</b>	<b>2.9</b>	<b>2.6</b>
Regulatory framework	3.0	2.0	1.5	3.0	3.0	2.5	2.5
Labour inspectorates	3.0	2.0	2.0	3.0	3.5	3.0	2.8
Employment policy framework	2.5	1.8	2.0	3.5	3.0	3.5	2.7
Tripartism and social dialogue	2.5	2.5	1.5	3.5	2.5	2.5	2.5
<b>8.2. Skills</b>	<b>2.8</b>	<b>1.1</b>	<b>1.0</b>	<b>2.8</b>	<b>3.0</b>	<b>2.8</b>	<b>2.2</b>
Skills mismatch	3.0	1.3	1.0	3.0	3.5	3.5	2.6
Adult learning	2.5	0.8	1.0	2.5	2.5	2.0	1.9
<b>8.3. Job quality</b>	<b>2.8</b>	<b>1.9</b>	<b>1.5</b>	<b>3.5</b>	<b>2.5</b>	<b>2.3</b>	<b>2.4</b>
Quality earnings	2.0	1.0	1.0	3.0	2.0	2.0	1.8
Policies to promote female employment	3.5	2.8	2.0	4.0	3.0	2.5	3.0
<b>8.4. Activation policies</b>	<b>3.0</b>	<b>2.4</b>	<b>2.0</b>	<b>3.5</b>	<b>3.3</b>	<b>3.0</b>	<b>2.9</b>
Public employment services	3.5	2.5	2.5	3.5	3.5	3.5	3.2
Mutual obligations framework	2.0	2.5	1.5	3.5	3.0	2.5	2.5
Active labour market programmes	3.5	2.3	2.0	3.5	3.5	3.0	3.0

Note: Please see the Assessment methodology and process chapter for more information about the score levels in general and the Employment policy chapter for more information about the scoring in this particular policy dimension.



### **Dimension 9: Science, technology and innovation**

Most WB6 economies have a comprehensive strategic framework for science, technology and innovation (STI) in place, or are in the process of reviewing an existing one. However, effective implementation is sometimes hindered by limited co-ordination, as well as a lack of policy prioritisation and impact evaluation. Some economies have or are establishing an innovation fund – a key vehicle for implementing STI policy. However, overall expenditure on research and development remains low, and well below the EU level. Public research remains systemically underfunded, while the allocation of funding does not always encourage optimal research outputs. Human capital for research and innovation is below potential, due to limited development opportunities, lack of funding and few incentives to commercialise research. However, some economies are increasingly supporting young researchers and promoting linkages with their diaspora to address falling numbers of researchers and brain drain. All economies are connected to European and international research networks and international research collaboration is growing, but its results vary across economies. There are few linkages between academic research and industry, and no strategic policy to promote them. While all economies have experimented with financial incentives for business-academia collaboration, non-financial incentives remain almost non-existent. The institutional support for such collaboration has expanded, but often lacks a systemic approach, and efforts collide with broader policy measures to create an innovation ecosystem focusing on start-ups.

**Table 3.8. Scores and indicators for science, technology and innovation**

	ALB	BIH	KOS	MKD	MNE	SRB	WB6
<b>9. Science, technology and innovation dimension average</b>	<b>1.8</b>	<b>1.3</b>	<b>1.3</b>	<b>2.4</b>	<b>2.4</b>	<b>3.1</b>	<b>2.1</b>
<b>9.1. STI system</b>	<b>2.2</b>	<b>1.7</b>	<b>1.8</b>	<b>2.6</b>	<b>2.9</b>	<b>3.4</b>	<b>2.4</b>
STI strategy	2.8	1.3	1.3	2.5	3.5	3.5	2.5
Institutional framework	1.8	1.2	1.5	2.8	2.5	4.0	2.3
Regulatory framework	2.0	1.3	2.0	2.0	2.0	3.0	2.1
International collaboration	1.8	2.0	2.0	2.5	2.8	3.0	2.4
Alignment with EU STI policies	2.5	2.5	2.0	3.3	3.5	3.5	2.9
<b>9.2. Public research system</b>	<b>1.9</b>	<b>1.2</b>	<b>1.3</b>	<b>2.5</b>	<b>2.3</b>	<b>2.9</b>	<b>2.0</b>
Institutional structure of the public research system	1.5	1.3	1.5	2.3	2.5	2.5	1.9
Public research funding	2.0	1.3	1.5	1.8	1.8	3.3	2.0
Human resources for research and innovation	2.3	1.0	1.0	3.3	2.5	3.0	2.2
<b>9.3. Business-academia collaboration</b>	<b>1.1</b>	<b>0.9</b>	<b>0.7</b>	<b>2.1</b>	<b>2.0</b>	<b>3.0</b>	<b>1.6</b>
Collaboration promotion framework	1.3	0.8	0.0	2.8	3.0	3.0	1.8
Financial incentives for business-academia collaboration	1.0	1.0	1.0	2.8	2.0	3.3	1.9
Non-financial incentives for business-academia collaboration	0.5	0.0	0.5	1.0	1.0	2.0	0.8
Institutional support for business-academia collaboration	1.5	1.8	1.3	1.8	2.0	3.5	2.0

Note: Please see the Assessment methodology and process chapter for more information about the score levels in general and the Science, technology and innovation chapter for more information about the scoring in this particular policy dimension.

## Dimension 10: Digital society

Most of the WB6 economies are increasing efforts to expand broadband access by preparing economy-wide broadband plans and securing significant donor financing to develop rural broadband infrastructure. All economies are transforming their public administrations into user-centric public services using digital technologies, although the pace varies, and are making progress on the accessibility and transparency of public sector data. However, low digital literacy in many Western Balkan economies increases the risk of widening the digital divide as public services move online. All economies recognise digital skills as a key competency in their education policies and have incorporated information technology (IT) subjects in education and training systems, but more efforts and increased co-operation with the IT industry are needed to close the digital skills gap. Shortcomings in schools' information and communication (ICT) equipment, distance-learning platforms, and IT training for teachers are key obstacles to digital skill development. Most economies offer insufficient support for business digitalisation and ICT sector growth, and although legal frameworks for e-commerce and e-business have improved in some economies, implementation of effective support and promotion programmes is lacking. While legal frameworks for privacy and data protection are in place, their enforcement is weak as the competent authorities lack the required resources and executive power. Measures for consumer protection in e-commerce are now included in legislation in all WB6 economies, but they could be more developed and opportunities for consumer education are limited. All economies are also gradually aligning with the EU cybersecurity framework and most have a cybersecurity strategy in place, but insufficient budgetary allocations continue to slow down progress.

**Table 3.9. Scores and indicators for digital society**

	ALB	BIH	KOS	MKD	MNE	SRB	WB6
<b>10. Digital society dimension average</b>	<b>2.5</b>	<b>1.7</b>	<b>2.3</b>	<b>2.4</b>	<b>2.7</b>	<b>3.0</b>	<b>2.4</b>
<b>10.1. Access</b>	<b>3.2</b>	<b>1.8</b>	<b>2.8</b>	<b>3.3</b>	<b>3.2</b>	<b>3.0</b>	<b>2.9</b>
Broadband infrastructure	3.5	2.0	3.5	3.5	3.5	3.5	3.3
ICT Regulatory policy framework	3.5	2.0	2.5	3.5	3.5	2.5	2.9
Data accessibility	2.5	1.5	2.5	3.0	2.5	3.0	2.5
<b>10.2. Use</b>	<b>2.5</b>	<b>1.8</b>	<b>1.8</b>	<b>2.0</b>	<b>3.0</b>	<b>3.5</b>	<b>2.4</b>
Digital government	3.5	2.0	2.0	2.5	3.5	3.5	2.8
Private sector ICT adoption	1.5	1.5	1.5	1.5	2.5	3.5	2.0
<b>10.3. Jobs</b>	<b>2.0</b>	<b>1.7</b>	<b>2.3</b>	<b>2.2</b>	<b>2.5</b>	<b>3.0</b>	<b>2.3</b>
Digital skills for students	2.0	2.0	2.0	2.5	3.0	3.0	2.4
Digital skills for adults	2.0	1.5	2.5	2.0	2.5	2.5	2.2
ICT sector promotion	2.0	1.5	2.5	2.0	2.0	3.5	2.3
<b>10.4. Society</b>	<b>2.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>2.0</b>	<b>3.5</b>	<b>2.1</b>
Digital inclusion	2.5	1.5	1.5	1.5	2.0	3.5	2.1
<b>10.5. Trust</b>	<b>2.2</b>	<b>1.7</b>	<b>2.2</b>	<b>2.2</b>	<b>2.3</b>	<b>2.7</b>	<b>2.2</b>
Privacy protections	2.5	2.0	2.0	2.5	2.0	2.5	2.3
Consumer protection in e-commerce	2.0	1.5	2.5	2.0	2.0	2.5	2.1
Digital security risk management	2.0	1.5	2.0	2.0	3.0	3.0	2.3

Note: Please see the Assessment methodology and process chapter for more information about the score levels in general and the Digital society chapter for more information about the scoring in this particular policy dimension.

### Dimension 11: Transport policy

Most of the WB6 economies have long-term transport strategies to guide the development of their transport sectors and align them further with EU *acquis* and the Transport Community Treaty (TCT). However, most of these strategies lack proper monitoring and implementation plans. The Ministerial Council of the Transport Community Permanent Secretariat (TCPS) endorsed regional action plans for roads, railways, road safety and transport facilitation in October 2020. While reforms in the railway sector have advanced, railway markets in the WB6 economies are not yet fully open, and further efforts are needed to align regulations with the EU *acquis* and TCT. In July 2019, Serbia and North Macedonia opened a one-stop-shop at their road border crossing point on Corridor X. This form of transport facilitation should help to reduce queueing times and promote regional traffic flows. Another significant achievement is the improvement to road safety, with the WB6 economies seeing a more significant fall in road fatalities in the period 2017-19 than the CEEC-11, EU and OECD countries. Most of the WB6 economies would benefit from improving their systems for project identification, prioritisation and selection, to make the allocation of funds and investment in transport infrastructure projects more efficient. Systems for managing transport assets are still in the early stages in most WB6 economies, and mainly in the road sector. The integration of environmental sustainability objectives into transport policies is another area for improvement. Most WB6 economies include these goals in a range of documents, and therefore lack a holistic approach to sustainable transport. Combined transport is also underdeveloped in the region; however, there have been positive developments such as the participation of most WB6 economies in the Integrating Multimodal Connections in the Adriatic-Ionian Region project and ongoing efforts to deploy combined transport infrastructure in North Macedonia and Serbia.

**Table 3.10. Scores and indicators for transport policy**

	ALB	BIH	KOS	MKD	MNE	SRB	WB6
<b>11. Transport policy dimension average</b>	<b>2.5</b>	<b>1.3</b>	<b>1.4</b>	<b>1.8</b>	<b>2.1</b>	<b>3.0</b>	<b>2.0</b>
<b>11.1. Planning</b>	<b>3.3</b>	<b>1.5</b>	<b>1.5</b>	<b>2.3</b>	<b>1.9</b>	<b>3.3</b>	<b>2.3</b>
Transport vision	4.0	2.0	2.0	2.5	2.5	3.5	2.8
Transport project selection	4.5	0.8	1.0	2.5	2.5	4.0	2.6
Implementation and procurement	3.0	2.0	2.0	2.5	2.5	4.0	2.7
Asset management	1.5	1.0	1.0	1.5	0	1.5	1.1
<b>11.2. Governance and regulation</b>	<b>2.5</b>	<b>1.9</b>	<b>1.5</b>	<b>2.5</b>	<b>3.3</b>	<b>3.8</b>	<b>2.6</b>
Rail regulation	1.5	1.3	1.5	1.5	3.5	3.5	2.1
Aviation regulation	3.5	2.5	1.5	3.5	3.0	4.0	3.0
Road market regulation	n.a.						
International Water Waste and maritime market regulation	n.a.						
<b>11.3. Sustainability</b>	<b>1.5</b>	<b>0.8</b>	<b>1.2</b>	<b>0.8</b>	<b>1.5</b>	<b>2.2</b>	<b>1.3</b>
Road safety strategy	1.5	1.3	1.5	1.5	2.5	2.5	1.8
Environmental sustainability strategy	1.5	0.5	1.5	0.5	1.5	1.5	1.2
Combined transport strategy	1.5	0.5	0.5	0.5	0.5	2.5	1.0

Note: Please see the Assessment methodology and process chapter for more information about the score levels in general and the Transport policy chapter for more information about the scoring in this particular policy dimension. N.a. = indicator has a different scoring system so results are presented in the text, not in the table.

## Dimension 12: Energy policy

The WB6 economies all have advanced legislative and policy frameworks that transpose significant parts of the EU's Third Energy Package. However, implementation can be improved and key policy documents need to be updated. The latter issue is being tackled for the most part as all WB6 economies are drafting their new National Energy and Climate Plans. There has been progress in deploying EU-style organised markets, with Albania, Kosovo and Montenegro recently establishing power exchanges. However, unbundling of natural monopolies and ensuring third-party access to infrastructure have yet to be finalised in some WB6 economies. These elements are key to the competitiveness of energy markets. The development of energy efficiency measures and non-hydro renewables is still in the early stages across the WB6 region. The economies use outdated subsidy schemes for renewable energy, and energy efficiency suffers from a lack of technical capacity in relevant public bodies and an overall scarcity of funding. The WB6 regional electricity generation mix is still overwhelmingly coal-reliant. The continued subsidisation of coal and other fossil fuels distorts the market and runs counter to the WB6 economies' commitments to reducing greenhouse gas emissions.

**Table 3.11. Scores and indicators for energy policy**

	ALB	BIH	KOS	MKD	MNE	SRB	WB6
<b>12. Energy policy dimension average</b>	<b>3.2</b>	<b>2.1</b>	<b>3.0</b>	<b>3.7</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>
<b>12.1. Governance and regulation</b>	<b>3.5</b>	<b>1.7</b>	<b>3.3</b>	<b>3.7</b>	<b>3.2</b>	<b>3.3</b>	<b>3.1</b>
Energy policy, legal and institutional framework	3.0	2.0	3.5	3.5	3.5	3.5	3.2
Energy regulator	4.0	1.5	3.0	4.0	4.0	3.5	3.3
Management of energy infrastructure	3.5	1.5	3.5	3.5	2.0	3.0	2.8
<b>12.2. Security of energy supply</b>	<b>2.9</b>	<b>2.6</b>	<b>2.8</b>	<b>3.6</b>	<b>2.6</b>	<b>2.9</b>	<b>2.9</b>
Natural gas supply framework	2.0	3.0	1.5	3.5	2.0	2.0	2.3
Electricity supply framework	4.0	3.0	3.5	3.5	3.0	3.0	3.3
Renewable energy policy	3.5	2.5	3.5	4.0	3.0	3.5	3.3
Energy efficiency policy	2.0	2.0	2.5	3.5	2.5	3.0	2.6
<b>13.3. Energy markets</b>	<b>3.3</b>	<b>1.8</b>	<b>3.0</b>	<b>3.7</b>	<b>3.2</b>	<b>2.8</b>	<b>3.0</b>
Market operation	3.0	1.5	2.5	4.0	3.5	3.5	3.0
Unbundling and third-party access	3.5	1.5	4.5	3.5	4.0	2.5	3.3
Regional market integration	3.5	2.5	2.0	3.5	2.0	2.5	2.7

Note: Please see the Assessment methodology and process chapter for more information about the score levels in general and the Energy policy chapter for more information about the scoring in this particular policy dimension.

### Dimension 13: Environment policy

Legal and policy frameworks for the environment and climate change are gradually being introduced and major climate-related risks are being identified across the WB6. Nevertheless, common challenges remain. Air pollution is one of the main environmental challenges, with levels of fine particulate matter (PM<sub>2.5</sub>) two to three times above the maximum limits recommended by the World Health Organization. Moreover, recycling rates of municipal waste remain extremely low across the region – significantly lower than in the EU. Some actions have been taken on waste management and to develop a circular economy, but specific policy frameworks are largely lacking. Industrial waste management frameworks have not advanced and the policy and legislative bases for soil protection are almost non-existent. Unregulated burning and illegal dumping of waste is still prevalent in the region, posing problems to the environment and public health through groundwater, soil and air pollution. The groundwork for the freshwater management legislative framework has been done in most assessed economies, though little has been done to improve international co-ordination of transboundary river basis. Water supply and sanitation systems also remain inadequate. Although investments are ongoing, water service fees are too low to cover or complement the infrastructure investment costs and water supply services. Moreover, insufficient institutional capacities and poor co-ordination among the responsible local authorities impede implementation of water management measures. Finally, all WB6 economies have adopted policy frameworks for biodiversity conservation, and most have plans for endangered species and protected areas. Nevertheless, biodiversity and forestry monitoring systems and public inventories are rarely in place, which impedes proper implementation.

**Table 3.12. Scores and indicators for environment policy**

	ALB	BIH	KOS	MKD	MNE	SRB	WB6
<b>13. Environment policy dimension average</b>	<b>1.9</b>	<b>1.7</b>	<b>2.1</b>	<b>2.3</b>	<b>2.4</b>	<b>2.2</b>	<b>2.1</b>
<b>13.1. Resource productivity</b>	<b>1.8</b>	<b>1.7</b>	<b>1.8</b>	<b>2.0</b>	<b>2.3</b>	<b>2.2</b>	<b>2.0</b>
Climate change mitigation and adaptation	2.0	2.0	2.0	2.5	3.5	2.0	2.3
Circular economy framework	1.0	1.5	1.0	1.0	1.0	2	1.3
Municipal waste management	2.5	1.5	2.5	2.5	2.5	2.5	2.3
<b>13.2. Natural asset base</b>	<b>2.2</b>	<b>1.7</b>	<b>2.2</b>	<b>2.5</b>	<b>2.0</b>	<b>1.8</b>	<b>2.1</b>
Freshwater management	2.5	2.0	2.0	2.0	2.0	2.0	2.1
Biodiversity and forest management	2.5	1.5	2.5	3.0	3.0	2.0	2.4
Land-use management framework	1.5	1.5	2.0	2.5	1.0	1.5	1.7
<b>13.3. Environmental quality of life</b>	<b>1.8</b>	<b>1.8</b>	<b>2.2</b>	<b>2.3</b>	<b>2.8</b>	<b>2.5</b>	<b>2.3</b>
Air quality framework	2.0	2.0	2.5	3.5	3.5	2.5	2.7
Water supply and sanitation system	2.0	2.0	2.5	1.5	2.5	3.0	2.3
Industrial waste management framework	1.5	1.5	1.5	2.0	2.5	2.0	1.8

Note: Please see the Assessment methodology and process chapter for more information about the score levels in general and the Environment policy chapter for more information about the scoring in this particular policy dimension.

### Dimension 14: Agriculture policy

All WB6 economies have undertaken significant investment in agriculture. Implementation of the Instrument for Pre-Accession Assistance for Rural Development (IPARD) programme continues to improve among the accredited economies (Albania, Montenegro, North Macedonia and Serbia), and IPARD disbursing authorities are increasing their administrative capacity. However, harmonisation of the criteria for IPARD funding and national budget subsidies remain an issue. The WB6 economies continue to invest in rural infrastructure. In particular, they support projects related to sewage systems, electricity and gas supply and broadband internet, which are among the essential preconditions for competitive agriculture. Investment in other key areas, such as irrigation systems, is increasing, but their efficiency, sustainability and monitoring (such as of erosion, drainage and soil moisture) are still inadequate. Despite those improvements, some aspects of agriculture are still under-funded. For example, investment in agricultural research projects remains low and agricultural extension services are uneven in scope and quality. Similarly, education and training have been neglected throughout the last decade in the WB6; as a result, the number of students in agriculture continues to decline. Economy-wide agricultural strategies are being implemented, but they often do not address agricultural education or, if they do, the measures are not realised. The sector's performance is also hampered by other weaknesses, such as generally poor cross-sectoral co-operation between agriculture and other relevant public institutions (such as environment and education), which not only limits the sector's productivity but also slows down reforms. And while all six economies have made efforts to improve and create an evidence-based policy system, monitoring and evaluation capacity is still limited.

**Table 3.13. Scores and indicators for agriculture policy**

	ALB	BIH	KOS	MKD	MNE	SRB	WB6
<b>14. Agriculture policy dimension average</b>	<b>2.8</b>	<b>2.0</b>	<b>2.4</b>	<b>2.8</b>	<b>3.4</b>	<b>3.1</b>	<b>2.7</b>
<b>14.1. Agro-food system capacity</b>	<b>3.2</b>	<b>1.5</b>	<b>2.9</b>	<b>3.1</b>	<b>3.3</b>	<b>2.5</b>	<b>2.8</b>
Rural infrastructure policy	3.5	1.0	3.5	4.0	3.5	2.0	2.9
Irrigation policy framework	3.0	2.0	2.0	2.8	3.5	3.0	2.7
Agricultural education system	3.0	1.5	3.3	2.5	3.0	2.5	2.6
<b>14.2. Agro-food system regulation</b>	<b>3.0</b>	<b>2.3</b>	<b>2.3</b>	<b>3.3</b>	<b>3.5</b>	<b>3.3</b>	<b>2.9</b>
Regulations on natural resources	3.5	2.5	2.0	3.0	3.5	3.6	3.0
Regulations on products	2.5	2.0	2.6	3.5	3.5	3.0	2.9
<b>14.3. Agricultural support system</b>	<b>2.8</b>	<b>2.1</b>	<b>2.1</b>	<b>2.2</b>	<b>3.5</b>	<b>3.3</b>	<b>2.7</b>
Agricultural policy framework	3.0	3.0	2.5	3.1	3.5	3.5	3.1
Domestic producer support instruments	3.0	2.0	2.0	3.2	3.5	3.0	2.8
Agricultural trade policy	2.5	2.0	2.0	3.0	4.0	3.0	2.8
Agricultural tax regime	2.5	1.5	2.0	1.4	3.5	3.0	2.3
Sanitary and phytosanitary (SPS) measures	3.0	2.0	2.0	1.4	3.0	4.0	2.6
<b>14.4. Agricultural innovation system</b>	<b>2.0</b>	<b>2.0</b>	<b>2.5</b>	<b>3.2</b>	<b>3.0</b>	<b>3.0</b>	<b>2.6</b>
Agricultural research and development framework	2.0	2.0	2.5	3.1	2.5	3.0	2.5
Agricultural extension services framework	2.0	2.0	2.5	3.2	3.5	3.0	2.7

Note: Please see the Assessment methodology and process chapter for more information about the score levels in general and the Agriculture policy chapter for more information about the scoring in this particular policy dimension.

### Dimension 15: Tourism policy

All the WB6 economies have recognised tourism as an opportunity for economic development. Most economies have developed tourism strategies and have committed to developing an efficient governance structure involving inter-ministerial co-ordination, vertical co-operation, and dialogue with private and other tourism stakeholders. Albania and Montenegro, where tourism is a much more important sector, have the most developed frameworks overall. Progress has been achieved in all economies on collecting tourism data and registering accommodation facilities. Although some progress has been achieved in some economies on developing a tourism VET framework, a qualified workforce is still lacking throughout the region, mainly due to the poor skills supply framework and lack of higher education courses in tourism. Moreover, tourism innovation, marketing and branding, as well as comprehensive natural and cultural heritage enhancement frameworks, are largely lacking in the WB6. Overall, the absence of a common regional tourism brand lessens the visibility of the Western Balkans as an attractive tourist destination offering a diversity of unique tourist experiences.

**Table 3.14. Scores and indicators for tourism policy**

	ALB	BIH	KOS	MKD	MNE	SRB	WB6
<b>15. Tourism policy dimension average</b>	<b>2.1</b>	<b>1.2</b>	<b>1.5</b>	<b>1.5</b>	<b>3.1</b>	<b>2.3</b>	<b>2.0</b>
<b>15.1. Governance and co-operation</b>	<b>2.4</b>	<b>1.3</b>	<b>1.9</b>	<b>1.8</b>	<b>3.8</b>	<b>3.0</b>	<b>2.3</b>
Tourism governance and institutional set up	2.0	1.0	1.0	1.0	4	3.0	2.0
Partnerships with stakeholders	3.5	1.0	2.0	1.0	4.0	3.0	2.4
Vertical co-operation	2.0	1.0	1.0	1.5	3.0	3.0	1.9
Data collection and interpretation	2.0	2.0	3.5	3.5	4.0	3.0	3.0
<b>15.2. Destination accessibility and tourism infrastructure</b>	<b>2.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.7</b>	<b>3.5</b>	<b>2.7</b>	<b>2.2</b>
Connectivity framework	2.0	0.5	0.5	1.0	3.0	2.0	1.5
Accommodation capacity and quality of tourism offer	3.0	2.0	1.0	2.0	3.5	3.0	2.4
Information availability	2.5	2.0	3.0	2.0	4.0	3.0	2.8
<b>15.3. Availability of a qualified workforce</b>	<b>1.8</b>	<b>1.3</b>	<b>1.8</b>	<b>1.7</b>	<b>2.3</b>	<b>2.0</b>	<b>1.8</b>
Skills supply framework	2.0	0.5	1.5	1.5	2.0	1.0	1.4
VET framework for tourism	2.0	2.0	2.5	1.5	2.5	3.0	2.3
Higher education framework for tourism	1.5	1.5	1.5	2.0	2.5	2.0	1.8
<b>15.4. Sustainable and competitive tourism</b>	<b>1.3</b>	<b>1.3</b>	<b>1.2</b>	<b>0.8</b>	<b>3.0</b>	<b>1.7</b>	<b>1.6</b>
Natural and cultural heritage enhancement framework	1.5	1.5	2.0	1.0	3.0	1.0	1.7
Promotion of sustainable development and operations within the tourism sector	1.0	1.0	1.0	0.5	3.0	2.0	1.4
Tourism investment and innovation policy framework	1.5	1.5	0.5	1.0	3.0	2.0	1.6
<b>15.5. Tourism branding and marketing</b>	<b>2.8</b>	<b>0.5</b>	<b>0.5</b>	<b>1.3</b>	<b>2.8</b>	<b>1.8</b>	<b>1.6</b>
Tourism branding and marketing strategy	2.5	0.5	0.5	1.5	4.0	2.0	1.8
Digital tourism marketing framework	3.0	0.5	0.5	1.0	1.5	1.5	1.3

Note: Please see the Assessment methodology and process chapter for more information about the score levels in general and the Tourism policy chapter for more information about the scoring in this particular policy dimension.

### Dimension 16: Anti-corruption policy

All WB6 economies have anti-corruption strategies and/or plans and mechanisms for monitoring their implementation. However, their analytical frameworks vary. Several of the economies have replaced outdated strategies but not yet adopted them. While the authorities involve civil society in preparing anti-corruption strategies and plans, some NGOs are concerned about the lack of response to their proposals. Most WB6 economies have multi-functional corruption prevention bodies, whose independence is mostly safeguarded and who observe due public accountability. However, some struggle to implement their mandate due to limited resources. Most of the WB6 economies fund awareness-raising and education activities from their national budgets, which is positive a sign that this area is prioritised. None of the WB6 economies have yet achieved a sound and sustainable independent judiciary, however. Several of the economies have implemented reforms, including setting up judiciary councils, introducing competitive procedures for the selection and promotion for judicial positions, and strengthening disciplinary liability mechanisms. Most WB6 economies have recent laws for the registration and provision of public access to data on beneficial owners of legal entities. All WB6 economies envisage the liability of legal persons for all criminal offences. Most WB6 economies have also had at least some convictions in prominent corruption cases.

**Table 3.15. Scores and indicators for anti-corruption policy**

	ALB	BIH	KOS	MKD	MNE	SRB	WB6
<b>16. Anti-corruption policy dimension average</b>	<b>2.1</b>	<b>2.0</b>	<b>1.8</b>	<b>2.9</b>	<b>3.6</b>	<b>2.9</b>	<b>2.5</b>
<b>16.1. Anti-corruption policy framework</b>	<b>1.0</b>	<b>1.5</b>	<b>1.0</b>	<b>2.8</b>	<b>3.5</b>	<b>2.8</b>	<b>2.1</b>
Corruption risk assessment	1.0	2.0	1.0	3.0	4.5	3.0	2.4
Corruption proofing of legislation	1.0	1.0	1.0	2.5	2.5	2.5	1.8
<b>16.2. Prevention of corruption</b>	<b>4.0</b>	<b>3.0</b>	<b>2.5</b>	<b>3.0</b>	<b>4.0</b>	<b>3.0</b>	<b>3.3</b>
Anti-corruption public awareness and education	4.0	3.0	2.5	3.0	4.0	3.0	3.3
<b>16.3. Independence of the judiciary</b>	<b>n.a.</b>						
<b>16.4. Business integrity and corporate liability</b>	<b>n.a.</b>						
<b>16.5. Investigation and prosecution</b>	<b>2.5</b>	<b>2.0</b>	<b>2.5</b>	<b>3.0</b>	<b>3.5</b>	<b>3.0</b>	<b>2.8</b>
Anti-corruption law enforcement bodies	2.5	2.0	2.5	3.0	3.5	3.0	2.8

Note: Please see the Assessment methodology and process chapter for more information about the score levels in general and the Anti-corruption policy chapter for more information about the scoring in this particular policy dimension. N.a. = indicator has a different scoring system so results are presented in the text, not in the table.

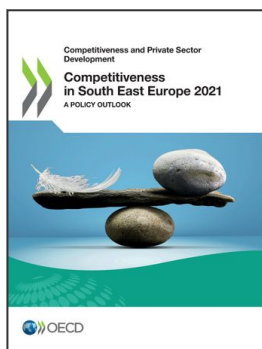


## Notes

<sup>1</sup> This dimension is scored using a different methodology to the other dimensions. You can find more details on the competition scoring methodology in the Competition policy chapter.

<sup>2</sup> The 11 Central and Eastern European countries (CEECs) who have joined the European Union: Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, the Slovak Republic and Slovenia.

# Part I Assessment findings by policy dimension



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