

Project Fiche No. 1**Support for Improvement in Governance and Management (SIGMA)
in the Western Balkans and Turkey****1. Basic information**

- 1.1 CRIS Number:** 2010/022-028, 2012/023-876
- 1.2 Title:** Support for Improvement in Governance and Management (SIGMA) in the Western Balkans and Turkey
- 1.3 ELARG Statistical code:** 01.34 – Institutions
- 1.4 Location / Beneficiaries:** Western Balkans: Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia as well as Kosovo*
Turkey

Implementing arrangements

- 1.5 Contracting Authority (EU):** European Union represented by the European Commission on behalf of the Beneficiaries.
- 1.6 Implementing Agency:** Not applicable
- 1.7 Beneficiary:** Bodies involved in public administration and financial management reform: General Secretariats of Government; Ministries of Finance, European Integration, Interior, Justice; Procurement institutions; Civil Service Management Agencies; Public Administration Reform Bodies; Regulatory Management Authorities; Supreme Audit Institutions; Parliamentary Secretariats

Financing

- 1.8 Overall cost (VAT excluded)¹:** EUR 13 264 000
- 1.9 EU contribution:** EUR 13 000 000
- 1.10 Final date for contracting:**
30 November 2011 (for 2010 allocation)
30 November 2013 (for 2012 allocation)

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence

¹ The total cost of the project should be net of VAT and/or other taxes. Should this not be the case, the amount of VAT and the reasons why it should be considered eligible should be clearly indicated

1.11 Final date for execution of contracts:

30 November 2013 (for 2010 allocation)

30 November 2014 (for 2012 allocation)

1.12 Final date for disbursements:

30 November 2014 (for 2010 allocation)

30 November 2015 (for 2012 allocation)

2. Overall Objective and Project Purpose

2.1 Overall Objective

To contribute to the development of public governance systems and administrative capacities necessary for European Union membership and for implementing the *acquis communautaire* in an environment that carries the values underlying the Copenhagen criteria, such as reliability, accountability, transparency, efficiency, legal certainty and integrity.

2.2 Project purpose

To contribute towards upgrading the operational capacities and professionalism of public administrations in the Western Balkans and Turkey.

2.3 Link with AP / NPAA / EP / SAA²

The most recently available Enlargement Strategy papers (2007 and 2008) consistently underline the overriding importance of horizontal administrative reform in the candidate countries and potential candidates: *“In much of the Western Balkans, state building, consolidation of institutions and better governance constitute priority concerns. In most countries a professional, impartial, and accountable civil service remains to be set up. (...) Future enlargement assistance should therefore continue to support horizontal management systems with focus on “rule of law and good governance, including the fight against corruption and organised crime, administrative and judicial reforms.”*

² AP = Accession Partnership; NPAA = National Programme for the Adoption of the Acquis (for Candidate Countries), National Action Plan (for Potential Candidates); EP= European Partnership; SAA = Stabilisation and Association Agreement

Communication from the Commission on the “Enlargement Strategy and Main Challenges 2008-2009” mentions the importance of administrative capacity and good governance as being a crucial aspect in fulfilling the Copenhagen membership criterion on the ability to take on the obligations of membership.

The need to reinforce governance capacities and to improve integrity in public life is mentioned in all of the APs, and it underlies EP and SAA. NPAAAs are still fairly weak on administrative capacity, but one sub-objective of the Programme is to increase awareness of the need for a strong Institution Building component of NPAA.

More specifically, the various issues to which the programme is addressed are mentioned in the regular reports and APs:

- Professionalise the civil service and upgrade competences;
- Improve management and control of public finances, including public procurement and external audit;
- Rationalise and complete the administrative legal framework;
- Improve corruption robustness;
- Upgrade policy and regulatory capacities;
- Develop territorial administration;
- Prepare for Decentralised Implementation Systems (DIS) and aid other Commission assistance operations.

2.4 Link with MIPD

The Multi-beneficiary MIPD 2009-2011³ (Section 2.3.1.1.1) foresees support for the strengthening of public administrations' capacities to implement efficient and effective reforms and foster democratic accountability (including public finance management and public procurement), professionalism and integrity within the Beneficiaries' institutions.

2.5 Link with National Development Plan

Summaries of SIGMAs' country assessments

At a formal level, all of the beneficiaries have public administration reform programmes incorporated into their National Development Plans⁴.

Albania

Democracy and the rule of law need consolidation and the rule of law needs to be more deeply embedded in administrative and political cultures. The protectors of Constitutionality, such as the Constitutional Court, the legislature and the court system, should be reinforced. Institutions to fight against corruption should be enhanced. Government planning capacities have been improved but legal/policy

³ COM (2009) 4518

⁴ These country notes are condensed from the 2009 SIGMA assessments

formulation functions need strengthening. The government attempted to approve a strategy on public administration reform, which included civil service reform and some progress has been observed mainly in the finance area; civil service reform is still needed.

Bosnia and Herzegovina

Major deficiencies in the governance system stem from a lenient attitude towards the law and democratic institutions by major actors, whether parliament, the executive or the judiciary, or civil society and its organisations. The Constitution itself needs reviewing especially in its governance dimensions so as to provide a better framework for the functioning of the State bodies (both Parliamentary and government). The professional character of public administration has to be embedded, and the legal framework for administrative activity needs review. The lack of co-ordination between the different levels of government weakens the system. The implementation of an Anti-corruption strategy was reviewed by the Council of Ministers of the common institutions in September 2008, but there seems to be a lack of co-ordination, monitoring and supervision in design and implementation.

Croatia

Although Croatian horizontal governance management systems are relatively advanced compared to the region, they will need strengthening prior to accession. It is positive that there exists a public administration reform strategy but it risks not meeting its ambitions because it lacks prioritisation, is too narrow in scope, does not cover local governments and regions, and lacks strong management arrangements. The budget reform should significantly impact on other areas but is not sufficiently integrated into the PAR strategy. The legal framework is still based on a detailed approach, which reduces management effectiveness and increases costs for administration and citizens. Parliament and accountability bodies (e.g. the Supreme Audit Institution) still need strengthening in order to assume their responsibilities under membership. Despite recent progress, public service professional ethics need to be further embedded in administrative culture and practice.

The former Yugoslav Republic of Macedonia

The social and political roles of accountability institutions and of law need to be embedded in political and administrative cultures. Anti-corruption instruments are largely in place but implementation needs to be enhanced. The policy-making system is appropriately designed but needs to be embedded in actual practice. There has been progress in reforming the public finance management system at the legal level, but new procedures have to be tested in practice; it is not clear how far public servants' managerial environment, culture and skills are up to the challenges required by the new legislation.

Montenegro

Respect of the law and democratic institutions needs to be embedded in political and social cultures, which is especially difficult in a small country where institutions are still being established. Anti-corruption legislation is in place for politicians and administration, but implementation needs to be reinforced. The quality of legislation

could be improved by more rigorous and professional policy making. Professionalisation of the public service needs improvement, especially in implementation. A comprehensive approach to financial management and control should be developed, which will require greater understanding of the concept of managerial accountability.

Serbia

The rule of law is proclaimed by the Constitution as the fundamental principle of the State. Legal remedies are also constitutionally foreseen. The respect for the rule of law in practice still needs to be improved and institutional arrangements need to be aligned with European practice. External accountability institutions (Parliament and Supreme Audit Institution) need to be strengthened. Anti-corruption measures, for politicians and administration, need to be strengthened in law and in implementation. The legal framework for policy development is adequate but there needs to be greater professionalisation and strategic planning. The merit system needs to be more embedded in practice. Rationalisation of administrative tasks and functions is needed, and the entire administrative apparatus needs to be brought within the general accountability framework. The planned reform of financial management would improve the legal basis but implementation will need to be supported.

Kosovo

The shortage of skilled staff, the scarcity of financial resources, the uncertainty surrounding the responsibility over Kosovo, and the role of the international community have a cumulative effect, which hinders the emergence of sustainable, accountable Kosovan institutions. The legal/policy formulation processes need upgrading. Consolidating the rule of law requires rationalisation of the legal order, introduction of framework laws for administrative decision-making, and reinforcement of accountability mechanisms by fostering a culture of responsibility. The notion of public administration needs to be embedded. The legal framework established for public expenditure management is reasonable but appears to be ahead of the current state of administrative development; officials do not always understand the purpose of legal requirements. Political will, co-operation amongst stakeholders, and measures to combat corruption have been insufficient.

Turkey

Constitutional reform is necessary to address the organisation of the administration and its refocusing as a service to both the state and Turkish citizens. The efforts of the Turkish Grand National Assembly to strengthen its oversight role with regard to public expenditure, including scrutiny of budget implementation, will need support, especially for the Turkish Court of Accounts. There is a need to increase the global quality of policies and norms by strengthening policy procedures. Significant advances have been made in public expenditure management and control; however, they will require extensive support to embed the changes into bureaucratic practices and attitudes. More is needed to bring procurement, concessions and public-private partnerships law and practice into line with European standards. Efforts are required to improve the quality of public services, simplify and reduce red-tape and improve the predictability and legal certainty of administrative decision-making through a general law on administrative procedures. This will need support if pursued (pending

Constitutional reform). Anti-corruption policy is making progress, especially with the new strategy of the Prime Ministry's Inspection Board, but might face important implementation difficulties.

2.6 Link with national/ sectoral investment plans

Although public administration reform is not usually directly linked with investment plans, it is relevant:

- Some PAR activities do require investment (IT or physical infrastructure)
- PAR is necessary in order to support investment programming and project management
- Procurement and financial control are essential elements to support reliable investment programme implementation
- A large percentage of investment programmes in the beneficiaries (exception Turkey) are financed by EU, EU-affiliated organisation and multi/bi-lateral donors; PAR is necessary to ensure proper servicing of donor projects.

2.7 Link with other donor's contribution

Other donors – multi and bilateral - are active in the governance field. However, for the most part, they have recognised the Commission's leadership. They tend to work within the SAp and support convergence with the European Administrative Space. Based on past experience, SIGMA will continue to work closely with other donors, under Commission supervision.

3. Description of project

3.1 Background and justification

The subject matter

The Copenhagen criteria specify that candidate countries must be able to assume the burden of membership. This concept was refined at the Madrid European Council in December 1995, which stressed the importance of candidate countries' administrative capacities to enforce the *acquis communautaire*. The need for administrative capacities is reinforced by the subsequent decision (Council Regulation (EC) No 1266/1999) to decentralise and eliminate ex-ante control by the Commission of the management of Phare and Pre-Accession funds where the national administrations are sufficiently equipped to ensure their sound and efficient management. In Croatia, the former Yugoslav Republic of Macedonia and Turkey, administrative capacities are of particular concern and the Commission has requested that the countries reinforce their efforts to reform their public administrations.

Most of the *acquis* communautaire is enforced through specific and specialised sectoral institutions. However, the quality, reliability and sustainability of their action depend on the cross-ministerial, government-wide systems of resource management (including of personnel), control and external audit. Similarly, sound and reliable management of funds requires effective resource allocation and control systems. Corruption is a concern throughout the IPA region; SIGMA's contribution is to work on the systems which protect integrity in public life as well as increase anti-corruption robustness through for example laws and institutions to enhance transparency and discovery (such as disclosure of assets). The potential candidates, operating under the Stabilisation and Association process, are bound by similar considerations, whether or not they have signed a Stabilisation and Association Agreement (SAA), although their governance systems are not at the same level of consolidation.

The reinforcement of central management systems of government is vital to achieving EU objectives. One of the systems (procurement) is covered by direct *acquis*; Public Internal Financial Control (PIFC) is one of the negotiating chapters and some general standards for administration stem from judgements of the European Court.

European Commission action

SIGMA has been developed by the Commission as one of the three main European Institution building programmes in the Enlargement context alongside the Technical Assistance and Information Exchange instrument (TAIEX) and Twinning. Whereas the two latter instruments concentrate on sectoral public management and vertical capacity building respectively through short term (TAIEX) and medium to longer term transfer of public sector expertise (Twinning), SIGMA assistance was designed to focus on horizontal public management systems.

SIGMA's track record / OECD expertise

Since 1992, the SIGMA programme has embodied the commitment of the European Commission to co-operate with OECD in order to promote better public governance in the enlargement context.

The widely recognised quality and effectiveness of the SIGMA programme has led to the development of a similar programme in the context of the European Neighbourhood Policy.

The successive SIGMA Programmes have been repeatedly evaluated and/or audited with a consistent track record in terms of efficiency, quality and effectiveness. The most recent evaluation report (2007) highlights that: '*Beneficiaries expressed a high level of satisfaction about SIGMA interventions due to their technical relevance, high responsiveness and flexibility, and high quality of the expertise delivered.*'

The SIGMA methodology based on peer assistance and hands-on experience has shown the following advantages:

- Consistency: When working on horizontal governance issues, it is important to maintain consistency in approach and advice with adequate follow up. The permanent SIGMA core expert team ensures such stability which is even more crucial in areas without clear *acquis* communautaire;

- Flexibility and speed in delivery: The contractual framework provides flexibility to adjust to the specificities of each beneficiary country, to changing needs and enables the mobilisation of expertise within a short time span;
- Demand as well as policy driven: The contractual framework allows both for policy driven assignments requested by the Commission and for requests submitted by the beneficiaries;
- Quality of expertise and efficiency: SIGMA has been consistently evaluated as a successful programme with a good overall performance

Multi-beneficiary

A multi-beneficiary programme confers certain advantages:

- The needs require the possibility of small scale rapid response actions, which are best adapted to the changing environment in the beneficiaries and which can pave the way for larger projects. This can most effectively be achieved by creating a reserve pool of experienced experts who are familiar with the beneficiaries;
- Institutional funding on a regional basis permits rapid shifts in resource allocations between projects and between beneficiaries as circumstances change (windows of opportunity open or close);
- All of the SAp entities are also bound, by the SA process, to reinforce regional ties and demonstrate a commitment to regional co-operation. This requires support to Network actions.

3.2 Assessment of project impact, catalytic effect, sustainability and cross-border impact

Evaluations have suggested that SIGMA achieves impact and sustainability; several reasons are given, which are inherent in its modus operandi:

- Adequate attention is given to local ownership and sustainability;
- SIGMA projects have a limited but well defined scope; Small scale interventions take place in the context of continuous follow-up and mentoring with just-in-time provision of expertise in the most appropriate form; SIGMA is able to harness regional comparison to support reforms and provide access to New Member States with relevant experience; SIGMA's portfolio of roles (combining technical assistance, assessments and leverage on further assistance) reinforces impact.

SIGMA works at the strategic level to assist countries set up basic institutional and legal frameworks for central management systems and to assist in drawing up strategic development plans. This has a triple catalytic effect:

- It creates conditions for further consolidation of central management systems;
- Strengthened central management systems provide frameworks to build line (or technical) administrative services;
- Strengthened Policy/regulatory systems, coupled with budgeting, contribute to better policy making and especially to more effective adoption of the *acquis*.

In addition, the results of SIGMA interventions can provide stable legal/institutional environments for other Commission assistance.

Cross-border impact comes through formal networking arrangements (association with ReSPA, network meetings, website, etc) as well as the ability to find commonalities across the region and build projects stimulating joint learning e.g. the joint auditing project of Supreme Audit Institutions.

3.3 Results and measurable indicators

The main focus of the SIGMA programme is to make available and organise a transfer of first hand know-how and widely recognised expertise on horizontal administration systems in order to contribute to a better functioning public administration with adequate and well trained human resources in the candidate countries and potential candidates.

SIGMA agrees its activities with the counterparts and the Commission. Each Project is agreed on the basis of an analysis of objectives, intended results, risks and risk management basis, etc.

At the programme level, results and measurable indicators must necessarily be generic, since the programme is composed of country/sector specific projects.

Results

SIGMA projects should contribute to the following results:

- Central management systems of the beneficiaries are strengthened both in formal terms and in implementation;
- Public services are more stable and professional as well as more accessible to potential qualified employees;
- Information sharing is improved amongst countries and Commission (including Delegations).

Measurable indicators

- Number of projects undertaken and focus of projects, including number of EU projects (TAIEX Twinning) to which SIGMA contributed;
- Existence of formal arrangements (e.g. law and organisations);
- Capacities (e.g. staffing and budgets), procedures and manuals of implementation bodies;
- Take up rate of professional information;
- Timely production of assessments;
- Establishment and maintenance of networks and supporting communications processes;
- Production of SIGMA papers;
- Web site usage.

3.4 Activities

SIGMA support is aimed at the improvement of the following building blocks of horizontal administration systems and governance. This focus is contractually defined with the Commission.

I. Public Administration Reform	Public administration reform strategy
	Public Service (including human resources management in PA)
	Administrative legal framework and administrative justice
	Public Integrity System
	Policy Making and Co-ordination
II. Management of Funds	Public Expenditure Management (PEMS)
	Public Internal Financial Control (PIFC)
	External Audit

	Anti-Fraud (OLAF)
	Public Procurement, Concessions and PPPs (including remedies)
III. Administrative Environment of market economy	Better Regulation
	Responsive public service delivery
	Managing property rights

All work is carried out in close co-ordination with Commission services and with shared responsibility with national institutions in the candidate countries and potential candidates.

The implementation of activities will be guided by a mutually agreed annual work programme, which will set out the main orientations and focus of SIGMA activities in line with the priorities of the accession process. The organisation of the activities will be broken down as follows:

Activity 1: Technical Assistance

- Advice on reforms, design and implementation of strategic public management plans, peer diagnosis as well as training
- 30-40 projects to be completed per year

Activity 2: Assessments

- Annual analysis and assessment of legal frameworks, methodologies, systems and institutions

SIGMA will carry out ca. one hundred actions (Technical Assistance Projects or Assessment Reports) per year

Activity 3: Network and information actions

- Website set up and running
- One network meeting per year per sector

Activity 4: Personnel costs, Administration and Financial Management (professional staff)

3.5 Conditionality and sequencing

The conditions that will determine the effectiveness of the Programme include:

- Commitment and cooperation of local authorities including provision of sufficient, stable and professional quality political, financial and human resources to achieve results;
- Sensitive and reasonable exercise of negotiations by Commission services;

- Support to the EU agenda from other donors;
- Commission Services support generation of demand and support project implementation;
- Commission and EU Member States continue to support the programme within OECD, OECD and Commission services continue to collaborate to agree a mutually acceptable contractual framework, OECD can mobilise expert staff.

Sequencing of projects and conditionalities are determined within the relationship between the Commission and the beneficiary.

3.6 Linked activities

Several beneficiaries have received assistance or plan to receive assistance under national programmes for reforms in the areas covered by SIGMA. Also other donors (international organisations and some EU Member States) support the public administration reform in the region.

Support from national IPA programmes is essential for the successful upgrading of the national public administrations. SIGMA is complementary to Twinning, TA projects and TAIEX. SIGMA may act to:

- Prepare the ground for a twinning or other project
- Assist in project selection and steering
- Provide bridging between projects
- Provide complementary inputs to projects

SIGMA will participate in network activities of the EU (e.g. SAI and PIFC networks) as well as, under the control of the Commission, activities of other donors (e.g. World Bank regional meetings on PEFA).

Current IPA multi-beneficiary projects related to Public Administration Reform include:

- Support to the Regional School of Public Administration (ReSPA) – Phase 2 (CRIS DN 2008/020-047 and 2009/021-178)
- Training in Public Procurement (CRIS DN 2009/021-178).

3.7 Lessons learned

SIGMA has recently completed a study on what happened to civil service reforms in the 2004 entrants after accession. This is being used to develop policy recommendations for beneficiaries and the EU. This study and past experience suggest the importance of:

- Using a broad definition of public administration reform (the central management systems are best understood as sub-components of a larger administrative framework that includes financial management and policy making);
- Insisting on local ownership and allowing countries the time to develop a coherent system making use of multiple donor contributions;
- Providing comparative inputs to beneficiaries so that they can explore a range of solutions for adaptation to local circumstances;
- Locating public administration reform within the European integration agenda and applying sensitive conditionality as opening benchmarks with the political criteria;
- Especially in relation to the fight against corruption, addressing the whole governance system including politics and Parliament;
- Ensuring that Technical Assistance for policy and strategic inputs is available to respond as opportunities arise;
- Using experienced practitioners from Member States' public administrations.

4. Indicative Budget (amounts in EUR)

			SOURCES OF FUNDING									
			TOTAL EXP.RE	EU CONTRIBUTION		NATIONAL CONTRIBUTION					OECD CONTRIBUTION	
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	%(2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Activity 1,2,3 Contribution Agreement	x		13 264 000	13 000 000	98						264 000	2
TOTAL IB			13 264 000	13 000 000	98						264 000	2
TOTAL INV												
TOTAL PROJECT			13 264 000	13 000 000	98						264 000	2

Amounts net of VAT

(1) In the Activity row use "X" to identify whether IB or INV

(2) Expressed in % of the **Total** Expenditure (column (a))

5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Project Completion
Contribution Agreement	N/A	Q4 2010	Q1 2013
Addendum to Contribution Agreement	N/A	Q2 2012	Q1 2014

6. Cross cutting issues**6.1 Equal Opportunity**

Under the Commission's contribution agreement with OECD, the rules of the contracting Organisation apply. OECD is an equal opportunity employer.

6.2 Environment

Not applicable

6.3 Minorities

Minority and vulnerable groups' concerns will be reflected in all activities of the project, in particular when it concerns participation in the training activities and institutional development.

ANNEXES

1. Log frame in Standard Format
2. Amounts contracted and Disbursed per Quarter over the full duration of Programme
3. Description of Institutional Framework
4. Reference to laws, regulations and strategic documents:
5. Details per EU funded contract

ANNEX 1: Logical framework matrix in standard format⁵

LOGFRAME PLANNING MATRIX FOR Project Fiche	<u>Support for Improvement in Governance and Management (SIGMA) in the Western Balkans and Turkey</u>	CRIS Nr: 2010/022-028, 2012/023-876
	Contracting period expires: 30 November 2011 (for 2010 allocation) 30 November 2012 (for 2012 allocation)	Disbursement period expires : 30 November 2014(for 2010 allocation) 30 November 2015 (for 2012 allocation)
	Total budget : EUR 13 264 000	IPA budget: EUR 13 000 000

Overall objective	Objectively verifiable indicators	Sources of Verification
To contribute to the development of public governance systems and administrative capacities necessary for European Union membership and for implementing the community <i>acquis</i> in an environment that carries the values underlying the Copenhagen criteria, such as reliability, accountability, transparency, efficiency, legal certainty and integrity.	Public Governance is more reliable (less corruption) stable (lower turnover), professional (higher quality trained), more strongly accountable (effectiveness of accountability institutions such as SAI) and effective in responding to the European integration agenda (both harmonisation and institution building).	Annual reports issued by the European Commission SIGMA annual assessments of the public procurement systems in beneficiaries. Other organisations' reports: especially World Bank Governance and "Doing Business" Indicators, Transparency International Corruption Index Government indicators (e.g. number of corruption cases, turnover of public servants...)

⁵ SIGMA achieves its overall objective mainly by carrying out small-scale projects that are specific to a single beneficiary and a specific goal. Each project is subject to "logframe type analysis" and approval by the Commission. The Logframe for the SIGMA contract as a whole is therefore at a very general level.

Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
To contribute towards upgrading the operational capacities and professionalism of public administrations in the Western Balkans and Turkey.	<p>Number of requests for support and focus of requests</p> <p>Number of projects undertaken and focus of projects</p> <p>Content of expert reports</p> <p>Number of EU projects (TAIEX Twinning) to which SIGMA contributed</p>	<p>Beneficiary and Delegation feedback</p> <p>Commission monitoring and evaluations</p> <p>PDS material</p> <p>Contract/Project accountability reports</p>	<p>Commitment and cooperation of local authorities including provision of sufficient financial and human resources to achieve results.</p> <p>Continued managerial and financial support of OECD for SIGMA</p> <p>Ability of OECD to recruit staff with appropriate qualifications</p> <p>Continuation of EU-compatible accountability, financial and management arrangements in OECD</p>
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<p>Central management systems of the beneficiaries are strengthened both in formal terms and in implementation</p> <p>Public services are more stable and professional</p> <p>Information sharing is improved amongst countries and Commission (including Delegations)</p>	<p>Existence of formal arrangements (e.g. law and organisations)</p> <p>Capacities (e.g. staffing and budgets), procedures and manuals of implementation bodies</p> <p>Take up rate of professional information</p> <p>Timely production of assessments</p> <p>Establishment and maintenance of networks and supporting communications processes</p> <p>Production of SIGMA papers</p> <p>Web site usage</p>	<p>Commission Regular Reports</p> <p>SIGMA Assessments</p> <p>WB and other assessments</p> <p>Website hits and follow through; participation in training events</p> <p>Commission statistics</p> <p>Project reports</p>	<p>Beneficiaries allocate sufficient political, financial and human resources</p> <p>Reasonable stability and commitment of political and professional leadership</p> <p>Sensitive and reasonable exercise of negotiations and conditionalities by Commission services</p> <p>Support to the EU agenda from other donors</p> <p>Commitment and cooperation of local authorities (Public Procurement Offices, anchor training institutions, governments)</p> <p>Data on local training situation available</p>

Activities	Means	Costs	Assumptions
<p><u>Activity 1 & 2: Technical Assistance and Assessments</u></p> <p>SIGMA will carry out ca. one hundred actions (Technical Assistance Projects or Assessment Reports) per year</p> <p><u>Activity 3: Network and information actions</u></p> <p>Website set up and running</p> <p>One network meeting per year per sector</p> <p><u>Activity 4: Personnel costs, Administration and Financial Management (professional staff)</u></p>	<p>Contribution agreement with OECD</p> <p>Addendum to Contribution agreement with OECD</p>	<p>EUR 10 204 000</p> <p>EUR 3 060 000</p>	<p>OECD can recruit and mobilise expert staff</p> <p>Commission Services support generation of demand and support project implementation</p> <p>Commission and EU Member States continue to support the programme within OECD</p> <p>OECD and Commission services continue to collaborate within the mutually acceptable contractual framework</p>

ANNEX 2: Amounts (in EUR) Contracted and disbursed by quarter for the project

Contracted	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1
Contribution Agreement			10 000 000													
Addendum to Contribution Agreement									3 000 000							
Cumulated			10 000 000	10 000 000	10 000 000	10 000 000	10 000 000	10 000 000	13 000 000	13 000 000	13 000 000	13 000 000	13 000 000	13 000 000	13 000 000	13 000 000
Disbursed																
Contribution Agreement			4 750 000				4 750 000					500 000				
Addendum to Contribution Agreement										1 425 000				1 425 000		150 000
Cumulated			4 750 000	4 750 000	4 750 000	4 750 000	9 500 000	9 500 000	9 500 000	10 925 000	10 925 000	11 425 000	11 425 000	12 850 000	12 850 000	13 000 000

ANNEX 3. Description of Institutional Framework

Bodies involved in public administration and financial management reform in the Western Balkans and Turkey include:

- General Secretariats of Government;
- Ministries of Finance, European Integration, Interior, Justice;
- Procurement institutions;
- Civil Service Management Agencies;
- Public Administration Reform Bodies;
- Regulatory Management Authorities;
- Supreme Audit Institutions;
- Parliamentary Secretariats.

ANNEX 4: Reference to laws, regulations and strategic documents

The relevant laws vary according to the beneficiary, and not all beneficiaries have yet passed the necessary set of laws.

Policy making and regulation

- Law on Government
- Law on Council of Ministers Procedures
- Law on Law-making
- Law on relations with the Parliament

Public employment

- Civil service law
- Law on Public employment
- Labour Code
- Law on Public Salaries

Administrative framework law

- Administrative Procedures Law
- Law on Administrative Disputes
- Law on Administrative Courts
- Law on Public Administration
- Law on Administrative Inspection
- Organic Laws of Ministries and other bodies

Anti Corruption

- Law on Disclosure of Assets
- Law on Conflict of Interest
- Law on Financing of Political Parties
- Law on Persons Holding Elected or Appointed Office
- Code of Public Ethics

Financial management

- Organic Budget Law
- Law on Public Accounting
- Law on Financial Inspection
- Law on Internal Control
- Law on Internal Audit
- Law on Supreme Audit Institution

Public procurement

- Law on Public Procurement
- Law on Concessions and Public Private Partnerships

ANNEX 5: Details per EU funded contract

The European Commission and the OECD will conclude a contribution agreement for the implementation of SIGMA for 24 months in Q4 2010 for an amount of EUR 10 million. An addendum to the Contribution Agreement with the OECD extending implementation for 12 months and adding an amount of EUR 3 million to the Contribution Agreement will be signed in Q2 2012.