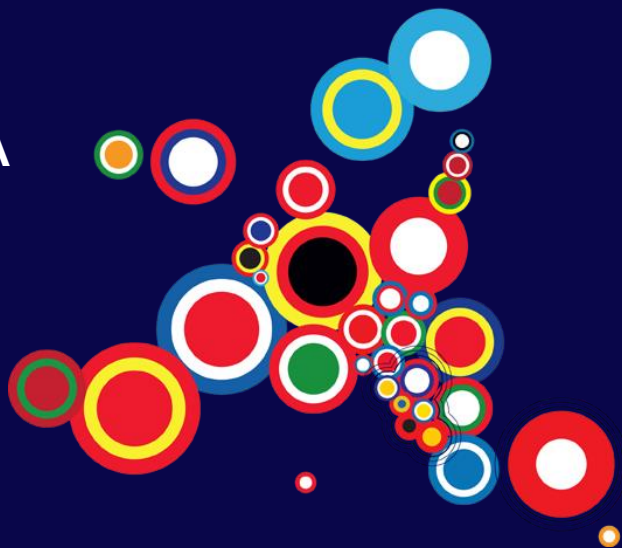




INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

EU support to Public Administration Reform & Statistics



Action summary

The Action supports the implementation of the Public Administration Reform Strategy, and the Strategic Development Plan of the State Statistical Office (SSO). It is expected to have significant impact on the reforms in all sectors as defined in the country Indicative Strategy Paper.

The Action will significantly improve the implementation of the Principles of Public Administration, will strengthen the efficiency, effectiveness and capacities of public institutions and will enhance the transparency and accountability in the whole public sector. It entails a major reorganisation of state bodies and inspection services and a reform in the system of discretionary powers. The action will introduce transparency standards, functioning whistleblowing framework and will promote ethics and integrity. Furthermore, this Action invests in e-Government: it will improve the public services for citizens and business by establishing one-stop-shop and electronic circuit for issuing a number of documents, and will enhance the access to public information. The e-government platform will be further upgraded with a mechanism for measurement the quality and timeliness of the services and the performance of the civil servants. Significant support will be also destined to improve quality and availability of statistics in all sectors with a primary focus on national accounts and Excessive Deficit Procedure.

Action Identification	
Action Programme Title	Annual Action Programme for the former Yugoslav Republic of Macedonia for the year 2017
Action Title	EU support to Public Administration Reform and Statistics
Action ID	IPA 2017/040-200/01.03/MK/PARS
Sector Information	
IPA II Sector	Democracy and governance
DAC Sector	15110 Public sector policy and administrative management
Budget	
Total cost	EUR 11,457,000
EU contribution	EUR 11,200,000
Budget line(s)	22.02.01.01
Management and Implementation	
Management mode	Direct management
<i>Direct management:</i> EU Delegation	EU Delegation to the former Yugoslav Republic of Macedonia
Implementation responsibilities	EU Delegation to the former Yugoslav Republic of Macedonia
Location	
Zone benefiting from the action	The former Yugoslav Republic of Macedonia
Specific implementation area(s)	Nation-wide activities
Timeline	
Final date for concluding Financing Agreement(s) with IPA II beneficiary	At the latest by 31 December N+1
Final date for concluding delegation agreements under indirect management	At the latest by 31 December N+1
Final date for concluding procurement and grant contracts	3 years following the date of conclusion of the Financing Agreement, with the exception of cases listed under Article 189(2) of the Financial Regulation
Final date for operational implementation	6 years following the conclusion of the Financing Agreement
Final date for implementing the Financing Agreement (date by which this	12 years following the conclusion of the Financing Agreement

programme should be de-committed and closed)			
Policy objectives / Markers (DAC form)			
General policy objective	Not targeted	Significant objective	Main objective
Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	x
Aid to environment	x	<input type="checkbox"/>	<input type="checkbox"/>
Gender equality (including Women In Development)	<input type="checkbox"/>	x	<input type="checkbox"/>
Trade Development	<input type="checkbox"/>	x	<input type="checkbox"/>
Reproductive, Maternal, New born and child health	x	<input type="checkbox"/>	<input type="checkbox"/>
RIO Convention markers	Not targeted	Significant objective	Main objective
Biological diversity	x	<input type="checkbox"/>	<input type="checkbox"/>
Combat desertification	x	<input type="checkbox"/>	<input type="checkbox"/>
Climate change mitigation	x	<input type="checkbox"/>	<input type="checkbox"/>
Climate change adaptation	x	<input type="checkbox"/>	<input type="checkbox"/>

1. RATIONALE

PROBLEM AND STAKEHOLDER ANALYSIS

This Action targets two of the key priorities identified in the sector "Democracy and Governance" by the country Indicative Strategy Paper, namely Public Administration Reform and Statistics. Public Finance Management is expected to be targeted through a separate action under the 2018 annual programme.

PUBLIC ADMINISTRATION REFORM (PAR)

Public Administration Reform is a continuous process in the democratic countries. For the former Yugoslav Republic of Macedonia it is an important precondition for successful integration in the EU. Reforming public administration in the country is part of the structural process of approximation to the EU standards, successful implementation of European good practices and the Principles of Public Administration.

The national PAR Strategy expired in 2015. Preparation of the new PAR Strategy for the period 2017-2022 is ongoing with support of OECD/SIGMA. It takes into account the self-assessment of the implementation of the previous Strategy and the lessons learned, , as well as the findings of the SIGMA 2015 baseline assessment, the 2016 monitoring report and the 2017 assessment findings. The new Strategy is also expected to address the Commission recommendations identified in the 2016 and the previous annual country reports. Reflecting the Principles of Public Administration, it proposes measures focused on five priorities:

1. Policy Development and Coordination
2. Transparency and Accountability
3. Service Delivery
4. Public service and Human Resource Management
5. Strategic Framework of Public Administration Reform

This action addresses three of the five priorities above, namely Priority 2: Accountability and Transparency, Priority 3: Service Delivery and Priority 4: Public service and Human Resource Management. The other priorities are being addressed or will be addressed through separate actions and projects in close coordination with other key donors active in this area. The main reasons for focusing on the proposed three priorities in IPA 2017 annual programme are:

- Relevance of the proposed priorities to key concerns and weaknesses identified by the European Commission and OECD/SIGMA;
- Coherence with other planned activities of the EU;
- Maturity of the interventions proposed by the national authorities;
- High-level commitment for the proposed activities expressed by the action beneficiaries;
- Availability of funds (while the cost of the implementation of the new PAR Strategy is still under analysis, it is obvious that the needed funds will exceed considerably the funds available under the 2017 annual programme)

Transparency and accountability have been highlighted as a major challenge¹, which affects the functioning and credibility of the democratic institutions, the fundamental rights, the fight against corruption, the effective policy-making and dialogue, and the effectiveness of the administrative system as a whole. Latest assessment² places the country in the lead of the least transparent democracies in the Western Balkans, which requires urgent and effective measures to be put in place in order to counteract the

¹ 2016 Country Report

² Sigma assessment, April 2017 (report to be published in autumn 2017)

backsliding. Serious weaknesses have also been identified as regards the accountability of public administration, in particular as regards the rationality of the organisation of the country's public administration, use of discretionary powers, citizens' right to access public information and citizens' right to good administration.

The Commission's criticism towards *Service delivery to citizens and businesses* is also strong in the 2016 Country Report, which focuses on the modest number of e-services and their low level of sophistication, the lack of one-stop-shop portal, and the inability of the current systems to ensure equal access to public services. Shift to user-oriented administration in the digital era passes through advanced e-government solutions, which would enable citizens, enterprises and organisations to carry out their business with government more easily, more quickly and at lower cost. EU intervention in this priority correlates with the SIGMA key short-term recommendations. Apart of improving the effectiveness of public administration, enhanced e-government will impact on administrative transparency; will decrease the risks for corruption, strengthen the credibility of the public administration and restore citizen's confidence in state systems.

As regards *Public service and Human Resource Management*, strong criticism has been expressed over the high levels of politicisation, the failure of the state to ensure equitable representation, the inconsistency in the remuneration system and in the application the principle of merit. These issues will rather be addressed through the high-level policy dialogue between the state and the Commission for two reasons: 1). due to the limitation of the impact of the technical tools on state capture, and 2) because the needed legislative framework is already in place and the implementation of the new legislation on human resources management started.³ The main success factor in addressing this priority remains the strong political commitment of the country decision-makers to the reform of the public administration. In the absence of a stable government, such commitment should not be taken for granted. Therefore, the adoption of the new PAR Strategy has been included as a pre-condition for the implementation of this action and any EU support will be put in operation only after a clear engagement by the government on priorities, measures, indicators, targets and funds. In addition, a number of policy-dialogue mechanisms such as the High Level Accession Dialogue, the Urgent Reform Priorities and the Special PAR Group, have already been put in use to ensure the effectiveness of the policy dialogue between the country and the Commission. Yet, a very important aspect of this priority – namely the extent to which integrity and anti-corruption systems are in place – cannot be overlooked and have been targeted in this proposed action.

As regards *Policy development and coordination*, the 2016 Commission country report is less critical outlining that "The legal framework and institutional structures continued to ensure a coherent policy-making system. A medium-term policy planning system is in place and strategies now include more information on their financing". As a response to the finding that "Sectoral planning needs to be improved, also in view of receiving EU assistance", the country has established sector working groups, which focus the sector dialogue on priorities, challenges and achievement involving all stakeholders. In addition, a major EU project⁴ (2,75 MEUR) will start in June 2017 to improve strategic planning and programming of EU and public funds across all sectors and ensure inclusive approach in policy-making in line with the better regulation principles. In addition, the proposed EU investments in transparency and in statistics are also expected to result into inclusive and evidence-based policy making and legislative development and increased public scrutiny over government work.

As regards priority *Strategic Framework of Public Administration Reform*, the country has advanced in the preparation of the new PAR Strategy with a first draft under consultation with the Commission, OECD/SIGMA and national stakeholders. Similar to the priority above, the political commitment to PAR is essential for the adoption and implementation of the new Strategy. This issue will also be a part of the policy dialogue since at this stage EU support was already allocated for the development of the new PAR Strategy.

³ 2016 Country Report of the Commission

⁴ funded under 2014 EU Integration Facility

Accountability and Transparency

Recent analysis and assessments⁵ identify two serious weaknesses in the implementation of key principles of public administration, which need to be addressed as a matter of urgency:

- Lack of rationality in the organisation of the state administration, overlapping responsibilities and mandates.

The fragmentation of the administrative structure and responsibilities results into duplication of functionalities, weakens the accountability, decreases the effectiveness of the implementation of administrative functions and of the control mechanisms. Further on, the fragmentation has a negative impact on policy-making (as demonstrated in the development of the new PAR Strategy, which suffered the duplication and overlapping in the competences attributed to the various administrative bodies). Effective lines of accountability need to be put in place between and within the institutions, to empower top and middle management levels, improve transparency of administrative bodies, and decrease the risk of politicisation of the public service. This passes through an overall reorganisation of the institutions, administrative bodies and inspection services. Institutional framework needs to be streamlined and optimized. Comprehensive functional review is necessary to assess the rationality of the state administrative organisation and support for necessary adjustments. This has to be backed up with the development of new legislation and/or amendments of the existing laws. The revision of the overall structure of the state administration corresponds to the key SIGMA short-term recommendation (2015 assessment).

In addition, the system of discretionary powers should be revised to allow the application of discretionary powers in a legal and just manner. For this purpose, it is important to strengthen the routine for taking decisions and enforce the control over discretionary powers. This process passes through a review and analysis of the regulations establishing discretionary powers, followed by legislative modifications and their implementation in practice. In this sense, discretionary authorities will need to establish written procedures and criteria for decision making in line with the internal control systems. This is the necessary ground to ensure that discretionary powers are subject to internal and external audit as well as oversight by the independent institutions i.e. Ombudsman.

In parallel, managerial accountability at institutional level also needs to be systematically enhanced and delegation lines strengthened along with consolidation of the internal control systems. This issue will be addressed in the 2018 annual programme, through the planned PFM-related action.

- Insufficient enforcement of the citizens' right to access public information;

The access to public information is regulated by the Law on Free Access to Public Information and the right of information is enshrined in the constitution. Although the needed constitutional and legal framework exists, lack of clear provisions detailing the obligations of the public bodies to publish the required information leaves room for different interpretation on how to address the transparency principle in the public sector. In theory, the public institutions are obliged to feed respective web locations/ pages on a daily basis. In practice, relevant publications are often missing or published with considerable delays. Developing and adopting transparency standards and monitoring of their implementation can significantly enhance transparency in the public sector.

By the law, the Commission for Protection of the Right to Free Access to Public Information is in charge of providing methodological guidance on the implementation of the transparency principle to the public institutions, training them on regular basis and monitoring of the access to public information. Yet, in order to implement this function, the Commission needs to upgrade its capacities to monitor, analyse and report on transparency across the public sector. Since all 1278

⁵ EU Country Report, SIGMA assessments, self assessment in the context of the preparation of the new PAR Strategy

public institutions are information holders obliged to submit annual reports to the Commission, it is important to improve the IT system of the Commission to allow for quicker and more comprehensive process for production of representative statistics on free access to public information and ensure law enforcement.

Another important aspect of transparency is linked to behaviour of public bodies upon request for specific information by third parties. The “*silence of the administration*” paired with excessive use of the terms “*classified*”, “*confidential*” or “*internal*” to label documents and prevent access to specific information, is an issue of concern. The analysis of the Commission shows that in very few cases, refusing data is justified. Yet, the Commission has no authority to impose penalties and effectively ensure enforcement of the law⁶. Therefore, there is a need to strengthen the mandate and organisation of the Commission and improve capacity to monitor compliance with the provisions of proactive disclosure of information remains insufficient.

Public Service and Human Resource Management

2016 corruption perception index ranks the country at position 90 and shows backsliding in the last 3 years. Transparency International Global Corruption barometer of 2013 indicates that 55% of the respondents consider public officials and civil servants in the country corrupt or extremely corrupt⁷. To date, corruption continues to be a serious problem in many areas of Public Administration despite the fact that the general framework for the fight against corruption is broadly in place: Law on preventing corruption and Law on prevention of conflict of interests were adopted and a State programme for prevention of corruption and reduction of conflict of interest with Action Plan 2016-2019 are in place. The effective fight against corruption depends first of all on the effective implementation of the already adopted anti-corruption legislation - other EU interventions, notably in the sector Rule of Law, will support the country in this aspect. Yet, the insufficient administrative capacity to effectively identify and address corruption risks; discretionary powers without relevant control paired with lack of accountability and inefficient integrity policies create an environment prone to maladministration and corruption and need to be addressed in parallel. In this respect, urgent measures are needed to address few priorities.

First, an administrative framework allowing the implementation of the Law on Protection of whistle-blowers needs to be established. The efforts need to be focused on strengthening capacities of public institutions to ensure adequate protection of whistle-blowers, on the promotion of "whistle-blowing" across the public service and raising awareness of officials on the new law. In addition, effective protection of whistle-blowers, in line with European standards and the 2016 Venice Commission Opinion on the Law on the Protection of Whistle blowers, needs to be ensured. It must be noted that the country has still not implemented the aforementioned Venice Commission Opinion and, as a result, a number of shortcomings still exist in the Law on the Protection of Whistle blowers.

Second, the integrity in public sector institutions, including public enterprises, needs to be reinforced. Systemic efforts are required to ensure all public servants share and adhere to the ethics and values of the public administration. Ethical Codes for different groups of employees in the public sector are adopted, but deficiencies in both their implementation and monitoring of their application are evident. It is also necessary to raise the awareness of civil servants on various aspects and importance of ethical conduct, to promote ethical behaviour and to establish mechanisms to monitor the implementation of the code of conduct for public sector employees. Training needs analysis in the area of fight against corruption demonstrates high interest of the employees in the state administration to acquire more knowledge. It is important to respond to this demand and to ensure the inclusion of training on prevention of corruption and conflict of interest and ethical code of public servants in the regular training cycles available for the public

⁶ This is also in line with what stated in the EC Country Report 2016: “*The Commission that reviews appeals continued to have insufficient capacity to monitor compliance with the requirement for proactive disclosure of information. It needs more integrity and powers to impose penalties to encourage better enforcement of the relevant legislation*”.

⁷ [http://www.transparency.org/gcb2013/country/?country=macedonia_\(fyr\)](http://www.transparency.org/gcb2013/country/?country=macedonia_(fyr))

administration. Development of e-learning modules will increase the outreach of the training exercise and ensure also re-training at specific intervals (1 year).

Third, legislation that promotes integrity in the public service has a relatively limited impact. So far, very few of the State bodies and only half of the 81 municipalities, have adopted a “Policy of integrity” creating a legislative and procedural basis for a proper system of integrity of the institution and its staff. This process needs to be completed and the procedural framework – finalised. In addition, the Law on Public Internal Financial Control includes provisions for assessing risks, including the risk of corruption. A manual for managing the risk of corruption was developed. When applied, it can be a powerful tool in the fight against corruption in all public institutions. However, the institutional capacities for research, situation analysis and risk assessments in terms of corruption and conflicts of interest in the public sector need to be strengthened to allow proper assessment of the risks of corruption, definition of mitigation measures and policies and their implementation in practice.

Finally, the coordination role of the State Commission for Prevention of Corruption (SCPC) needs to be strengthened to reach each institution and municipality in promoting the systems preventing corruption. This requires building necessary capacities for monitoring and analysis. Inter-institutional cooperation and communication needs to be improved, and data sharing enhanced.

Service Delivery

While the importance of e-Governance is largely acknowledged and a considerable work has been done by the Ministry of Information Society and Administration (MISA) to modernise the public services’ delivery the actual progress remain limited. Several benchmarks show that the country's e-Governance level is comparable to the 2007 levels of the last countries which joined the EU. The interoperability framework is operational with 2,400,000 transactions in total but the communication potential among the various software applications remains largely unused. The number of services provided to the public through the e-government portal remained modest and no single gateway to ease access to services has been put in place⁸. The lack of organisational knowledge for introducing the concept of single point of contact in cost-effective and functional terms further delays the e-services. All these issues must be addressed as a matter of urgency in order to ensure the right of citizens to good administration, and raise efficiency of administrative bodies.

Since August 2016, the new Law on general administrative procedures backed up by 168 aligned special laws, regulates the procedures for all administrative actions of the State authorities, local self-government bodies and other institutions and legal entities that provide services of public interest. The Law provides basis for one-stop shop system and ex-officio exchange of evidence and documents in all institutions and bodies and regulates the interconnection of IT systems of different public sector bodies. However, the authorities still need to decide on the location for the single point of contact, and to ensure full compliance of the e-citizens concept with the European Interoperability Framework. Further on, the software platform and technical solutions for back and front-office needs to be developed and installed and the users trained. The implementation of the e-Citizens gateway is expected to significantly accelerate all administrative procedures and processes in terms of document management for the State and for users and will result into an increased satisfaction of all system users.

In parallel, the establishment of e-service platform for businesses is already ongoing under the supervision of the Cabinet of the Deputy Prime Minister for Economic Affairs. This platform is designed to be a “*front/end*” super-portal which will add the functionality of providing information to businesses on the necessary licenses and required permits and direct them to the individual portals so to allow the submission and management of on-line applications for business licenses, permits and other G2B services. Feasibility Study and mapping of institution and licenses and permits procedures were completed. Furthermore, the platform model has already been chosen and the implementation phases have been

⁸ 2016 Country Report

designed. The next step that needs to be completed is the development of the technic solution and putting in use of the software.

The e-Citizens and e-Business platforms represent the heart of the e-Government in the country and address the need of increasing the transparency of the public sector in providing public services and of raising the efficiency in the relations state-citizens. At the same time, they would allow the optimisation and standardisation of key business process, which would provide the opportunity for putting in place a mechanism for measuring the institutional performance of the back office/background process of service delivery encompassing the whole cycle from submission to delivery. (Most of the instruments to measure the user satisfaction about the front-office or the quality of the institution are already in place). This will have an impact on the Human Resources Management and will support the system of performance-based assessment.

STATISTICS

Developing a statistical system compliant with the EU standards is a long-term task, requiring solid investments in establishing a political, institutional and financial framework to allow full harmonisation with the EU *acquis* and the implementation of the European Statistics Code of Practice.

Along with the progress achieved, the 2016 Country Report of the Commission highlights the need to further align statistics with the European System of Accounts 2010 and to transmit a full set of tables for the Excessive Deficit Procedure (EDP) to Eurostat. Therefore, there is a need to continue the methodological improvements in the area of National Accounts with a focus on producing government finance statistics and quarterly sector accounts, to the full introduction of ESA 2010. Focus needs to be put on the preparation of the EDP notification tables (in cooperation with Ministry of Finance), delimitation of the government sector and completion of the tables according to Eurostat's ESA 2010 Transmission Programme.

Further on, strengthening statistical system is essential for enhancing evidence-based policy making. In 2012, a National Council for Sustainable Development was established and a Technical Group was composed to support it. The State Statistical Office (SSO) is a main participant and a contributor in providing statistics for the agreed indicators. In order to be able to better implement this role, SSO needs to further develop the statistical production system and to increase the number of available indicators in all sectors of statistics, with a particular attention on the economic and socio-economic statistics

To better and faster respond to the request of users and policy-makers, SSO needs to re-design significant parts of the data collection, statistics production and dissemination systems. The use of administrative data for statistical purposes needs to be enhanced, which would require strengthened cooperation with data providers and holders of administrative data sets, improvement of the quality of the administrative registers with the involvement of the SSO and re-organisation of the data processing.

OUTLINE OF IPA II ASSISTANCE

The EU support will significantly contribute to ensuring transparent and accountable public administration and improving its efficiency and effectiveness in delivering public services. Considerable progress is also expected in providing more and better quality statistics to enable decision-making as well as the public monitoring and participation in policy-making. The Action responds to the most urgent needs in this sector, optimising the available resources and looking for immediate and positive value-for-money, leading the way however to further spill-over effects.

Improved **accountability and transparency** in public administration is expected to be achieved through streamlining and optimising the institutional set up, strengthening the integrity and ethics in the public administration, consolidating the systems preventing corruption and enforcing the legislation on access to public information.

This Action envisages, on the basis of a broad and comprehensive functional analysis, to support rationalisation of tasks and competencies of the public bodies and inspection services and ensure their proper functioning, attributing them with clear mandates and powers. Further on, the revision of the system of discretionary powers will result into strengthening of the internal control environment.

Measures are planned to establish a functioning whistleblowing framework, empower whistle-blowers and ensure their protection. The establishment of regular training on ethics and integrity (based on an e-learning tool) and the adoption of ethical codes across public bodies is expected to result in improved standards of ethical conduct and ethics-based workplace culture in support to sound decision making processes and more confidence in the public sector.

The transparency and access to public information will be improved with the introduction of transparency standards and increasing the monitoring and scrutiny over the procedure for release of information routinely and upon request.

The capacities of the State Commission for Prevention of Corruption (SCPC) and of the Commission for Protection of the Right to Free Access to Public Information are also in the focus of the EU support with the objective to improve the performance of both institutions, strengthen their mandates and outreach and ensure enforcement of the adopted laws promoting transparency and accountability.

The EU funds will also be used to improve the **delivery of electronic services** to citizens and business and strengthening the E-Government. Two e-service platforms - e-Citizens and e-Business – will be developed and put in use to ensure easy accessible, user-friendly and high quality public services in a secure and flexible manner. The e-Citizen platform will also integrate a pilot system for measuring the performance of the involved public bodies and public servants. The e-Government component is expected to have a strong anti-corruption effect, to bring along significant reduction of the administrative burden and increase the efficiency and effectiveness of the public administration.

Significant support through this Action is allocated for improving the **national statistics** and the capacity of the State Statistical Office (SSO). EU funds will be used for further alignment with the *acquis* in the field of macro-economic, business and social statistics with a primary focus on alignment with ESA 2010 and Excessive Deficit Procedure (EDP) In addition, the SSO capacity for production and dissemination of EU compliant statistics will be enhanced through a re-engineered IT system. EU support is also envisaged for the preparations for conducting the population and housing census in 2021. The EU investments will result in improved quality of the statistics, increased range of EU-accepted statistics and ensured user-friendly and client-sensitive access to statistics. Implicitly, the improved statistics will better support the policy development, coordination and decision-making process, which in longer term run is expected to impact on achieving the sector and country objectives. At the same time, more and better statistics will contribute to greater transparency of the country's systems, policies and progress achieved.

RELEVANCE WITH THE IPA II STRATEGY PAPER AND OTHER KEY REFERENCES

Governance and Public Administration Reform are considered as "fundamentals" in the accession process and a cornerstone in the accession strategy of the Commission. Efficient and effective public administration is crucial to fulfil the Copenhagen criteria and has a key role in improving governance. Ensuring the transparency and accountability of the civil service and improvement of the public services to citizens and businesses correspond directly to the priorities outlined in the country Indicative Strategy Paper (2014-2020)

The country should fulfil obligations emphasized in the Stabilisation and Association Agreement (SAA), and the previous European Partnership (EP) where PAR was identified as one of the key priorities. Progress in fulfilment of the EP priorities was monitored through the High Level Accession Dialogue (HLAD) which represented a central channel for political, economic and technical dialogue between the EU and the former Yugoslav Republic of Macedonia.

Not less important are the Madrid criteria which are related to the functionality of the public administrations. In line with the new approach on PAR, which the European Commission is advocating since the 2014-15 enlargement strategy, the enlargement countries should aim to meet the Principles of Public Administration, which the OECD/SIGMA has developed in close coordination with the European Commission. These principles, which derive from universal principles of good governance, OECD standards and partially also from the *acquis*, define detailed requirements for a well-functioning public administration in different core areas of PAR. The principles, together with the OECD/SIGMA baseline assessments provide concrete guidance to enlargement countries on how to have an effective, efficient,

responsive, service-oriented, competent and responsible public administration. Also, the public and state servants should be well-educated, professional, highly qualified, but they also need to have good language, computer and communication knowledge and skills.

Objectives and interventions of this Action are also in line with the mid-term priorities set in the National Programme for the Adoption of *Acquis* (NPAA), including continuous complexity of the public services, practicing quality standards and improving communication with the public.

The proposed Action echoes the main findings of the 2016 EC Country Report and corresponds to the key priorities identified in the country Indicative Strategy Paper and confirmed through the 2017 ISP revision.

LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

To date, the EU has provided significant support for PAR, amounting to 6.8 MEUR in the period 2007-2013 and focused on key priorities such as: 1) modernisation of the administrative framework including adoption and support for implementation of flagship laws to regulate the employment of public servants and their salaries, general administrative procedures, administrative disputes, to support anti-corruption and access to public information, 2) strengthening the national training system for public administration; 3) implementation of the first stage of data interoperability and 4) preparation of a catalogue of work positions in public administration.

Significant IPA support amounting to EUR 7.4 EUR was also provided for further harmonisation of the national statistics and the statistical system with the EU standards and statistical principles. 11 national and regional projects were so far implemented to upgrade the capacities of the SSO, improve statistical registers and links between registers and administrative data sources, harmonise national accounts and sector statistics with the EU standards.

In light of the previous and ongoing support, a number of lessons have been derived:

- Strong political commitment and support ensures the sustainability of achieved results; hence the need of ownership and commitment of decision-makers heading the bodies involved in PAR and statistics. Indicators for this commitment include the adoption of the PAR Strategy and ensuring funds for its implementation.
- Further inclusion of the CSOs and other key stakeholders in the policy and legislative development and decision-making process, is crucial for improving quality of policies and legislation, preventing corruption, improving access to information and increasing transparency. Therefore, involvement of the CSOs in monitoring the implementation of the PAR Strategy through the established mechanisms (Sector working groups, CSOs-IPA platform, regular consultations in the context of the preparation of the country report) will be backed-up by a more dedicated involvement of the CSOs in monitoring the implementation of the PAR Strategy (achieved through a grant under the Civil Society Facility or the EU integration facility)
- A more transparent communication strategy on implementation of the PAR is necessary to promote the EU support and to better engage citizens in monitoring the reforms. Particularly in the sectors such as PAR and Statistics, traditionally suffering a deficit of citizens' attention, innovative and attractive way of visibility and communication, are needed to reach society and gain the social support for the reforms and for the EU policy. Implicitly, greater interest of the public drives and stimulates political commitment and consensus.
- The sector assessment indicates that it is indeed necessary to improve the management of the public administration reform and the sector coordination. MISA needs to strengthen its human management and retention policy and focus on training of the public servants. Adequate measures to address this finding have been included in the NIPAC Action Plan. Even though the closure of these recommendations is still pending, efforts are being made by NIPAC office and MISA to implement suitable solutions. The establishment of a sector working group for PAR and Statistics in 2016 is a key step in improving sector coordination and the reform management.
- On a more technical note, the projects need to be carefully prepared and planned while focus on sustainability and impact must be maintained since the programming stage. Complex projects, i.e. in the statistical area, require constant monitoring and involvement of the stakeholders.

2. INTERVENTION LOGIC

LOGICAL FRAMEWORK MATRIX

OVERALL OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	
To reform public administration in line with the Principles of Public Administration	Progress made towards meeting accession criteria	European Commission SIGMA assessment /baseline measurement report / Monitoring report WB WEF	
	Composite indicator <ul style="list-style-type: none"> • Government Effectiveness • Burden of Government Regulation • Regulatory Quality 		
SPECIFIC OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
1. To optimise overall institutional framework, enhance public service delivery and strengthen ethics, integrity, transparency and accountability of public administration.	• Percentage of indicators included in the SIGMA baseline measurement report being improved	SIGMA assessment reports	The Government further supports the reform of the regulatory and institutional framework in line with EU standards and policies
	• Percentage of user satisfaction with the administrative services and servants	Annual Report of MISA SIGMA assessment reports	
	• Corruption Perception Index (Score And Positive Trend) and Global Corruption Barometer	Transparency International	The country implements the newly adopted PAR Strategy according to the adopted action plans.
2. To improve the quality and availability of statistical data and enhance their use in development and coordination of public policies.	<ul style="list-style-type: none"> • Percentage of statistics aligned with EU <i>acquis</i> (Social, Business and National Accounts)/Compliance level calculated with the method of Eurostat's strategy for statistical cooperation under IPA II increased to 85% based on the currently existing EU <i>acquis</i> in statistics; • Availability of statistical infrastructure for rational and efficient statistical production (business register, population register and other registers linked to each other in an interoperable way); • Availability of IT infrastructure for efficient statistical production (Integrated data collection system, IT system for classification management, Metadata driven IT system for editing, imputation, validation, aggregation and analysis) • Use of harmonised statistics in state planning (Indicators dashboard /Number of indicators/harmonised statistics used in strategic planning, 	Eurostat Strategy for Statistical Cooperation with the Enlargement Countries 2014/20 SMIS+ reports EDAMIS reports Key programming documents (ERP, ESRP, sector strategies, etc – indicators dashboard)	

	monitoring and reporting on key documents i.e. Economic Reform Programme, Employment and Social Reform Programme, key sector strategies)		
RESULTS	OBJECTIVELY VERIFIABLE INDICATORS	SOURCES OF VERIFICATION	ASSUMPTIONS
Result 1.1 – Streamlined and optimised institutional framework	Extent to which the overall structure of ministries and other bodies subordinated to central government is rational and coherent (SIGMA score)	SIGMA Baseline measurement reports/Assessment reports	Financial and human resources necessary to implement the reform are allocated and made available timely and in line with the milestones of the PAR Strategy 2017-2022
Result 1.2 - Strengthened systems ensuring transparency, integrity and ethics in the public institutions	Number of institutions which implement integrity policy	SCPC	Cooperation with national partners is assured (State Administrations, Institutions, CSOs, private sector, etc.)
	Percentage of institutions applying transparency standards	Commission for rights to free access to public information	
	No of whistleblowing cases	SCPC	
	Number of requests for information refused/unanswered in breach of the law	Commission for rights to free access to public information	
Result 1.3 – Improved delivery, quality, number and scope of public services to citizens and to business (e-Government)	Number of services accessible and available by Single point of contact	MISA – Annual reports	Cooperation among the owners of administrative data sources is ensured Relevant staff of Public Administration is maintained with adequate skills and turnover contained
	Percentage of users vs target users’ ratio of e-services	Regular OSS system performance monitoring reports	
	Pilot statistics on the performance by body and public officers involved in service delivery	Changes of laws and/or by-laws (Official Gazette)	
	Coverage of OSS umbrella system established (percentage of relevant institutions covered)		
Result 2.1 – Improved alignment with the <i>acquis</i> in the field of macro-economic, business and social statistics	GDP statistics on quarterly level by expenditure approach at current and constant prices	EDAMIS reports /SMIS+ reports / EC Progress report for chapter 18 Statistics	Government is willing to change administration operations to take advantage of the functionality offered by the new technologies
	Percentage of indicators compiled for EDP notification tables in accordance with ESA 2010	SSO web site and reports	
	Number of improved statistical methodologies and surveys	Changes of laws and/or by-laws (Official Gazette)	
Result 2.2 –Capacity in production and dissemination of EU compliant statistics is strengthened	Percentage of SBPM sub-processes covered by standard metadata driven tools	SSO web site	The national support system for SMEs responds to the business sector needs

DESCRIPTION OF ACTIVITIES

**OBJECTIVE 1: To optimise overall institutional framework, enhance public service delivery and strengthen ethics, integrity, transparency and accountability of public administration
(PUBLIC ADMINISTRATION REFORM)**

Result 1.1 – Streamlined and optimised institutional framework / Activity 1.1 – Strengthening of the institutional framework

This activity involves:

- 1) Conducting of a comprehensive functional analysis of the state bodies and inspection services that are currently operational and in place. The functional analysis will have to provide recommendations for adjustments in view of a more coherent and consistent institutional setting that ensures appropriate accountability and reporting lines.
- 2) Preparation of new legislation and amendments of the existing laws following the recommendations of the functional analysis to create the legal basis for the administrative and institutional optimisation.
- 3) Reorganization of the administrative bodies and inspection services following the recommendations of the functional analysis and in line with the newly adopted legislation. Technical assistance will be provided to ensure coaching and advisory support to the policy-making, management and the operational levels in this process. To ensure transparency of the process, an on-line tracing tool will be established, which will allow citizens to follow the improvements in the institutional re-organisation.
- 4) Revision of the framework of discretionary powers, assessment of the control levels and formulation of proposals for enhancing control systems, including legal modifications. Support will be provided to a set of public bodies to help developing the relevant procedures for exercising discretionary powers, which are thus integrated into the institutional system of procedures and become subject to internal audit and control.

This activity will be managed by the Ministry of Information Society and Administration (MISA) but will in practice involve all central bodies and the inspection services.

Result 1.2 - Strengthened systems ensuring transparency, integrity and ethics in the public institutions/ Activity 1.2 - Strengthening key systems, functions and institutes linked to the transparency, integrity and ethics in the public institutions

The activity includes the following:

- 1) Strengthening the institutional capacity of the State Commission for Prevention of Corruption (SCPC) to implement their responsibilities in line with the State Programme for Prevention of Corruption and Conflict of Interest. Focus will be put on developing and applying an appropriate risk assessment methodology and on supporting the Commission in monitoring the risks related to integrity, namely risks of corruption and conflict of interest, as well as on intensifying the coordination efforts of the Commission and the relevant state bodies in introducing integrity concepts in the public administration.
- 2) Piloting of introduction of integrity concepts in 3 administrative bodies, where the risks of corruption is assessed as higher, in an inclusive manner involving introduction of corruption risk assessment and management, along with strengthening internal control environment, introduction of tailored codes of ethics and their enforcement, establishment of integrity manager roles and internal channels of communication and reporting on integrity issues and corruption, nurturing whistleblowing culture, introducing regular training programme on integrity. Evaluation of the results and promoting of the model across the public administration.

- 3) Support in the full implementation of the Law on protection of whistle-blowers by identifying, introducing and promoting in practice workable protection mechanisms for whistle-blowers in a number of pilot institutions (eg. from 3 to 5 institutions) while maintaining the balance of legitimate interests between whistle-blowers and the respective institution. Particular attention will be paid to strengthening skills and capacities of the 5 institutions tasked with secondary protection of whistle-blowers (SCPC, Inspection Council, Ombudsman Office, Ministry of Interior and Public Prosecution Office). In addition, comprehensive technical assistance and guidance will be provided on the monitoring and evaluation of the implementation of the law, on the promotion of the concept of whistle-blowing among the public servants and in the wider public and on the implementation of 2016 Venice Commission recommendations related to the Law on the Protection of Whistle-blowers. The Action envisages as well support for changing the culture as regards whistle blowing by public discussions and regular training and awareness-raising activities for public administration and third parties, encouraging the introduction of open-door and grievance policy at institutions etc. Support for pilot institutions wishing to develop strong whistle-blowing policies by designing and introducing procedures for raising, handling and investigation of serious concerns is also envisaged.
- 4) Establishment of a complete e-learning training tool on integrity, ethics and prevention of corruption and conflicts of interest and integrating them in the regular training cycle for public servants. Further consolidation and development of the E-learning platform of the SCPC and its wide promotion among relevant target groups in order to increase its usage.
- 5) Developing and implementing tailor-made anti-corruption campaign(s) within the public administration, business community, state owned companies and civil society while raising the awareness of the importance of ethical conduct and integrity and of the available tools to prevent and report corruption and conflict of interest. Further on, in cooperation with the relevant state institutions and CSOs, the Action will explore the opportunities to pilot IT/web/mobile applications aimed at raising citizens' awareness on anti-corruption, monitoring performance of state institutions, reporting corruption concerns.
- 6) Carry out a comprehensive assessment of the Law on Access to Public Information and other relevant laws as well as their practical functioning, and propose reform measures in order to systematically improve citizens' access to public information, to strengthen the status, the powers and the operational functions of the Commission for Protection of the Right to Free Access to Public Information, to clarify and streamline the sanctioning regime for breaches of access to information rules and to enforce pro-active transparency standards in public administration. Upgrade the capacities and skills of the Commission for Protection of the Right to Free Access to Public Information through training and on-the-job guidance to exercise effective oversight on the implementation of the law on free access to public information, to assess adequately cases of breaches of the law and to intervene in such cases. The action will also prepare legislative amendments in an inclusive and evidence-based process to strengthen Commission's mandate.
- 7) Provide the necessary technical assistance to the Government in implementation of the Open Government Partnership Action Plan for the country.
- 8) Development of standards and formal rules for pro-active transparency at central and local level and supporting their practical implementation. The activity comprises a legal drafting exercise and providing training and information to the public bodies in regards to free access to public information. Support will also be given in designing the suitable procedures for the introduction and application of the standards within the administration and testing them in practice. Pilot transparency enhancing exercises will be implemented in 3 bodies involving the review of transparency policy and introduction of transparency standards in practice.

This activity will be managed by the State Commission for Prevention of Corruption and the Commission for Protection of the Right to Free Access to Public Information

Result 1.3 – Improved delivery, quality, number and scope of public services to citizens and to business (e-Government) / Activity 1.3 – Improving the delivery, quality, number and scope of public services to citizens and to business (e-Government)

Activity 1.3.1 - Establishing e-Citizens platform

The e-Citizens platform entails the development of a complete circuit of front and back office operations to allow delivering of e-services to citizens. This includes establishment of a Single-point-of contact for the key public services to citizens (at least 30% coverage) as well as creation of an e-circuit, based on agreed responsibilities, procedures and operational rules integrated into a user-friendly IT solution.

In addition, the activity envisages to support the establishment of accessibility standards to public services (both to physical premises, as well as to government webpages) and their introduction into the public bodies.

Support will also be provided for the further development of electronic authentication system for citizens and businesses.

Finally, the system will be used as a platform for integrating a pilot module (also to be developed under this activity) for measuring the performance of the involved institutions and public servants both in terms of timeliness (back office) and clients satisfaction (front office). This experience will be further used for introducing performance measurement systems in public administration.

This activity will be implemented by the Ministry of Information society and Administration in close coordination with the newly established Digital Agency.

Activity 1.3.2 - Establishing e-Business platform

The objective of this e-tool will be to provide a **“One-stop-shop” system (OSS)** for all business-related permits and licenses in the country. There are already established electronic services as for example the one related to construction permits that already has been put in use and is functioning very successfully. Other e-services also exist i.e. services of the Central Register disposing with a digitalised platform for establishing companies or services of the Cadastre Office linked to registering ownership over real estate and other ownership rights as lease, servitudes etc. This activity will further extend the existing services and encompass the remaining out of the e-circuit institutions to ensure comprehensive and streamlined service for the businesses. Thus, the Action will ensure 100% coverage of the business permits and licences across the country by e-circuit. This is a crucial stage in the OSS development as it will cover all relevant central bodies and all municipalities, which act as interface between the businesses and the state institutions. Further on, the OSS will be upgraded to an "Umbrella/Single –point-of contact" IT platform that will operate as a dynamic electronic network of one-stop-shops and other business support systems/bodies currently functioning in the country.

The activity entails the definition of responsibilities and development of operational procedures and rules (not the permit and licences procedures as such) for better functioning of the system as well as putting in use of an IT solution for electronic management of the complete cycle of issuing permits and licences. Further on, it will build up/extend the needed capacities to maintain and use the OSS focusing at different stakeholders.

The completion of the OSS will thus ensure:

- a single point of contact for any SMEs in obtaining any kind of permit or license or looking for targeted business information. It will be supplemented by an interactive web-based interface to serve as an entry door for the SMEs and to navigate them through various categories of information such as "issuing of licences", "access to services", "access to funding", "registration of companies", etc.;
- electronic submission of requests, possibility for electronic tracking of the submitted requests;

- secured electronic exchange of documents and information between all public institutions linked to the issuing of a particular business license and permit and electronic issuing of documents
- dynamic update of all contents based on clear responsibilities, mandates and secured resources among the participating institutions.

Ultimately the OSS will result in improved effectiveness and efficiency in the administrative proceeding, savings of time and resources for business and for the administration and increased transparency in business to government relations.

This activity will be implemented by the Cabinet of the Deputy Prime Minister for Economic Affairs

**OBJECTIVE 2: To improve the quality and availability of statistical data and enhance their use in development and coordination of public policies.
(STATISTICS)**

Result 2.1 – Improved alignment with the *acquis* in the field of macro-economic, business and social statistics / Activity 2.1 - Alignment with the *acquis* in the field of macro-economic, business and social statistics

This activity involves:

- 1) Further improvement of the national accounts, in particular achieving full alignment with ESA 2010. Special focus will be put on EDP notifications, namely: delineation of Gross Capital Formation, transmission according ESA2010, assessment of the availability and quality of data necessary for production of Government Finance Statistics on quarterly level, development of a methodological knowledge for calculation of (quarterly) General Government Accounts and delimitation of the General Government Sector, calculation of quarterly General Government Accounts, development of a methodological knowledge for preparation of EDP notification tables, preparation of ESA 2010 based EDP Inventory as well as data transmission to Eurostat.
- 2) Further alignment of the sector statistics with the EUROSTAT standards with primary focus on business and social statistics. Support will be given for designing methodology and methodological instruments, collection, processing and analysing of the in all sectors of NACE, implementation of CIS ad hoc modules, transport statistics providing indicators for green and inclusive transport, renewable energy sources, CVTS2021, exploring the usage of administrative and other data sources in the field of business and social statistics.
- 3) Support for the preparation of the population and housing census 2021. The overall objective is to prepare a census for the country as the last one was cancelled. The activity encompasses the provision of methodological and policy-oriented support at the stage of preparation of the Census. Focus will be given on determination of the method of enumeration, definition of the units of enumeration and their compliance with the CES Recommendations on Population and Housing Censuses and the EU Regulation on Population and Housing Census.

Result 2.2 – Strengthened capacity in production and dissemination of EU compliant statistics is / Activity 2.2 - Upgrading of the IT system for production and dissemination of EU compliant statistics

This activity focuses on re-engineering of the existing IT system and upgrading the IT infrastructure (hardware, commercial software and customized software) to ensure more efficiency and reliability in data processing (editing, imputation, validation, aggregation, analysis and output preparation). In addition, the activity will also improve the dissemination of statistics through the SSO website by applying modern dissemination methods, which are tailored to meet clients' specific needs and queries (different products for different user groups) as well as to provide information in more attractive and comprehensive forms (charts, animation, etc).

Horizontal - Evaluation

The European Commission will carry out an ex-post evaluation for this Action to receive an independent assessment of the relevance, efficiency, effectiveness, impact and sustainability of the action

RISKS

Prolonged political crisis would impact negatively and strongly on the country's commitment to the adoption and implementation of the new PAR Strategy. This risk is beyond the scope of the parties involved in the implementation of the action. The elections of 11 December 2016 give some chances for overcoming the already 3-year acute political crisis. Yet, the risk continues to be present.

Serious concerns regarding the independence of the public administration and the risk of political interference and corruption have been expressed by many sources. There are also question marks on the real possibility of whistle-blowers to effectively exercise their rights as well as on the ability of the CSOs to actually perform watcher roles. In addition, the low public confidence in the administration and in decision-making process requires constant and consistent political investments and political consensus, which at this stage is not evident.

Mitigation measure in this field mainly consists in enhancing the policy dialogue between the Commission and the country and building the capacity of the state bodies for factual implementation of the achievement of EU standards. However, political instability, as in the period 2015-2016, risks undermining the reform process and making the policy dialogue ineffective.

The involvement of the civil society in monitoring PAR and the implementation of the PAR Strategy has also the potential to mitigate the risks of political interference and pressure over the public administration. Six grants have already been given through the Civil Society Facility for monitoring and supporting various aspects of the PAR and this kind of support to CSOs will be extended in future.

CONDITIONS FOR IMPLEMENTATION

The main pre-condition for implementation of this AD is the finalisation and adoption of the PAR Strategy 2017–2022 in line with the EU principles of the Public Administration. An advanced draft is already under consultation with the Commission services and national stakeholders and the strategy is expected to be adopted by the end of the 2017.

In addition, the implementation of the PAR Strategy will be subject to extended monitoring by the Commission services in coordination with the national stakeholders. Lack of commitment to the implementation of the strategy, indicated by lack of resources for the strategy implementation or big delays in achieving the objectives, targets and indicators of the strategy, may lead to a termination of this action.

3. IMPLEMENTATION ARRANGEMENTS

ROLES AND RESPONSIBILITIES

The country has developed a comprehensive and complex framework for coordination, monitoring and oversight of the sector reform processes linked to the accession agenda and the need to ensure that the policy dialogue is conducted at the appropriate levels.

The Ministry of Information Society and Administration (MISA) is in charge of the coordination of the policy making processes in the PAR area and of ensuring compliance with the Government's work programme. In this sense MISA will play the lead role in the PAR-related activities while the State Statistical Office (SSO) will be naturally leading the statistics-related activities.

The Secretariat for European Affairs is responsible for the overall monitoring and evaluation process as well as for ensuring that EU and other donor funds are used to foster the Government's accession aspirations and

to facilitate the implementation of the National Programme for the Adoption of the acquis, including PAR and statistics targeted by this Action

At high policy level, the current coordination mechanism involves the Special Group on PAR, the Commission for Political System and the Special Committee for PAR.

The Special Group on PAR is co-chaired by the Government and the EC. The dialogue between the two parties occurs usually once a year between relevant Ministries (Information Society and Administration, Justice, Local self-government, etc.) and the Commission. The Special Group's role is to monitor progress and give guidelines and recommendation for improvement under the headings of the High Level Accession Dialogue (HLAD) agenda in the PAR.

Within the Government the Commission for Political System is set-up to review proposals for adopting laws, draft-laws and other regulations and general acts in the sphere of the political system and PAR. Inter alia the Commission reviews policy implementation and law enforcement; the information system; the organisation and functioning of the state bodies; the approximation of the national policy to EU policies; the approximation of the legal system with EU legislation.

The Special Committee for PAR, chaired by the President of the Government was created for the one task to continuously follow up of the implementation of the PAR.

Within the efforts to introduce sector approach, as required by IPA II, in 2016 the MISA set up a sector working group composed of representatives from 15 institutions. The task of this group is to focus the discussions on the PAR, analysing the progress, discussing new solutions, coordinating the efforts of various donors, etc. This will be the mechanism that will most of all be involved in coordination of the various aspects of this Action, ensuring and reporting on progress.

The national statistical system, coordinated by the SSO, consists of numerous statistical providers, the coordination between which is gradually improving. Among the main institutions, participating in the NSS are the National Bank (NB) and the Ministry of Finance (MoF). During the past year, cooperation between SSO, NB and MoF has intensified in order to develop financial sector accounts, notably to agree on exchange of input data. A new Programme of Statistical Surveys, which aims at ensuring the consistency of the statistical system, and covering the period 2018-2022, is under preparation to replace the current one (2013-2017). The Programme will integrate the relevant statistical work of all national authorities, producing statistics, and prevent production of official statistics outside of the system of state statistics.

IMPLEMENTATION METHOD(S) AND TYPE(S) OF FINANCING

This action will be implemented under direct management. The table below provides further information on the method of implementation and the types of financing to deliver the expected results.

Activity	Contract (s)	Description
1.1	Support for state reorganisation (Services)	Technical assistance will provide support in conducting and elaboration of the functional analysis of the state bodies and inspection services and the analysis of the current set-up of discretionary rights. Support (advise, training, coaching, mentoring) will be ensured for implementing the policy decisions, for preparation of new legislation/amendments of the existing laws and procedural documents.
1.2	Promoting transparency & accountability in public administration (Services)	The technical assistance will support the State Commission for Prevention of Corruption, the Commission for Protection of the Right to Free Access to Public Information and other relevant institutions in implementing a wide range of activities to improve transparency, accountability and integrity of state institutions.

Activity	Contract (s)	Description
1.3.1	e-Citizens (Services and supply)	The technical assistance will develop the one-stop shop for citizens, by establishing a front (single-point of contact) and back (full e-circuit involving all relevant institutions) platform incl. design, reorganisation of the business processes and establishment of electronic work flow, software programming, testing, limited maintenance, training and building the capacities for use and maintenance of the system. It will also develop and integrate a pilot module for measuring the performance of the involved institutions/public bodies. Support will be provided for the establishment of accessibility standards to public services and for the further development of electronic authentication system for citizens and businesses. A separate supply contract will ensure the needed equipment for making the e-Citizen platform operational.
1.3.2	e-Business (Services and supply)	The technical assistance will develop the E-Business platform encompassing most of the services linked to issuing of licenses and permits for business. The assistance will involve design, reorganisation of the business processes and establishment of electronic work flow, software programming, testing, limited maintenance, training and building the capacities for use and maintenance of the system. A supply contract will ensure the necessary hardware is available to ensure the operation of the e-Business platform
2.1 and 2.2.	Improving the production and dissemination of the statistics (Services and supply)	The technical assistance will support SSO in improving national accounts and sector statistics and upgrading the software for statistical production and dissemination. A supply contract is envisaged to provide the necessary equipment and commercial software for upgrading the IT capacity in data collection, production and dissemination of statistics.
Horizon tal	Evaluation of the Action (Services)	An ex-post evaluation for this Action will be carried out to receive an independent assessment of the relevance, efficiency, effectiveness, impact and sustainability of the action

4. PERFORMANCE MEASUREMENT

METHODOLOGY FOR MONITORING (AND EVALUATION)

The EUD as contracting authority has the overall responsibility for monitoring and evaluation of every single contract and the action as a whole. This function will be exercised jointly with the NIPAC in the spirit of the IPA II regulation and the Framework Agreement.

The need for a more result-oriented focus of the assistance in IPA II 2014-2020 is reflected into the proposed structure of well-identified and measurable indicators, which integrate macro-level indicators aiming to measure the large scale effects of the assistance, and a set of outcome and output indicators specific to the PAR and statistics. Internal monitoring and evaluation will be in line with DG NEAR Guidelines on linking planning/programming, monitoring and evaluation.

At contract level, the monitoring will be done in compliance with the adopted in 2015 and revised in 2016 Monitoring Strategy of the EU Delegation. The methodology applied is based on a review of the regular progress and final reports, on the spot visits, participation in project steering committees and on-going monitoring following the everyday communication with project stakeholders and regular flow of information (including media one). In order to enhance monitoring, specific instructions will be given to the contractors

on the production of the regular and final reports. Every report shall provide an accurate account of implementation of the specific activity, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the respective list of indicators included in this document. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details.

The EC may undertake monitoring visits both through its own staff and through independent consultants recruited for independent monitoring reviews, like the Result Oriented Monitoring (ROM) (or recruited by the responsible agent contracted by the EC for implementing such reviews).

At action level, the progress will be monitored jointly by the EUD and the NIPAC with the close involvement of the established sector working group (SWG). The SWG is responsible for coordinating activities related to the programming and management of EU funds and other international assistance. Representatives of the donor community and CSOs participate in the SWG meetings based on the needs and requirements of each SWG meeting and take part in consultation processes. The MISA, as a leader of the SWG shall be responsible for the preparation of the reports, their submission to the SWG, PAR Special Committee, to the NIPAC and to the EC.

NIPAC will be responsible for maintenance of comprehensive and accurate minutes of the policy dialogue between the Government and the EC.

The Action envisages a final evaluation and allocates funds for it. A specific service contract is envisaged to ensure this evaluation. In addition, the Action might be subject to external monitoring in line with the EC rules and procedures set in the Financing Agreement.

INDICATOR MEASUREMENT

Indicator	Baseline (value + year) (2)	Target 2020 (3)	Final Target (year - 2022) (4)	Source of information
Impact indicators				
Progress made towards meeting accession criteria	Moderately prepared	Advanced level of preparation	Advanced level of preparation	Commission annual enlargement country report
Composite indicator (average of: Government Effectiveness, Burden of Government Regulation and Regulatory Quality) /1 (Worst) - 100 (Best)	60,58 (2014)	Above 65	Above 70	World Bank / World Economic Forum
Outcome indicators				
Improvement in 60% of the indicators included in the SIGMA baseline measurement report on PAR (the 5 principles – a total	Total No of indicators: 98	Improvement in 30% of the indicators	Improvement in 50% of the indicators	SIGMA Assessment
Percentage of user satisfaction with the administrative services and servants (1 - worst, 5 - best)	1 = 3.48(2015) ¹ 2 = 12.02 3 = 84.48	5 = 75 4 = 15 3 = 7 2 = 2 1 = 1	5 = 75 4 = 15 3 = 7 2 = 2 1 = 1	Assess the administration– MISA Annual Report of MISA SIGMA assessment/monitoring report
Corruption perception index (score and positive trend) and Global Corruption Barometer	45 (2014) / 37 (2016) GCB - 3 red, 2 orange (2015-2016)	45 Improvements in at least 2 indicators	50 Improvements in at least 3 indicators	Transparency International
Percentage of statistics aligned with EU <i>acquis</i> (Social, Business and National Accounts) / Compliance level calculated with the method of Eurostat's strategy for statistical cooperation under IPA II increased to 85% based on the currently existing EU <i>acquis</i> in statistics;	55% (2015)	85%	95%	Eurostat Strategy for Statistical Cooperation with the Enlargement Countries 2014/20 SMIS+ reports EDAMIS reports

¹ Until 2015 there were only 3 grades available.

Availability of statistical infrastructure for rational and efficient statistical production (business register, population register and other registers linked to each other in an interoperable way);	partial	Upgrade of the key registers in line with Eurostat standards	Full interoperability achieved among the key registers	Peer review/ Eurostat assessments
Availability of IT infrastructure for efficient statistical production (Integrated data collection system, IT system for classification management, Metadata driven IT system for editing, imputation, validation, aggregation and analysis)	none	Integrated data collection system put into function (2021)	IT system for classification management put into function (2022) 30% of surveys processed with metadata driven IT system for editing, imputation, validation, aggregation, analysis and dissemination (2023)	Key programming documents (ERP, ESRP, sector strategies, etc – indicators dashboard)
Use of harmonised statistics in state planning (Indicators dashboard /Number of indicators/harmonised statistics used in strategic planning, monitoring and reporting on key documents i.e. Economic Reform Programme, Employment and Social Reform Programme, key sector strategies)	30%	50%	70%	
Results/Output indicators				
Extent to which the overall structure of ministries and other bodies subordinated to central government is rational and coherent.(SIGMA score)	2 (2014)	4 (2020)	4	SIGMA Baseline measurement reports/Assessment reports
No of institutions having and applying an integrity policy	1 (2016)	50 (2020)	75	State Commission for Prevention of Corruption Reports
Percentage of institutions applying pro-active transparency standards	0	50%	100%	Commission for rights to free access to public information
No of whistleblowing cases launched and protection measures taken	0 (2015)	15	30	State Commission for Prevention of Corruption Reports
Requests for information refused/unanswered in breach of law (as a % of the total number of requests)	(figure still to be provided) / 650	Less than 10%	Less than 10%	Commission for rights to free access to public information
Number of services accessible and available by Single point of contact (OSS or e-services)	N/A	100	100	MISA - Annual reports

portal)				
Percentage of users vs target users' ratio of e-services	n/a	15%	15%	MISA
Pilot statistics on the performance by body and public officers involved in service delivery (coverage by institution and by No of servants)	n/a	15 institutions 50 public servants	20 institutions 100 servants	MISA
Coverage of OSS umbrella system (% of relevant institutions covered)	5 (2016)	80%	100%	OSS e-circuit reports/ MoUs
Percentage of indicators produced for GDP on quarterly level by expenditure approach at current and constant prices	75% available indicators, 10 days time lag, missing data series 1995 - 1999	90% available indicators, no time lag, data series 1995-1999 available	95% available indicators	EDAMIS reports SMIS+ reports EC Progress report for the chapter 18 SSO web site
Percentage of indicators compiled for EDP notification tables in accordance with ESA 2010	5 %	80%	95 %	Regular OSS system performance monitoring reports Changes of laws and/or by-laws (Official Gazette)
Number of improved/aligned statistical methodologies and surveys	n/a	3 (2020)	5	Eurostat/SSO Reports
Percentage of SBPM sub-processes covered by standard metadata driven tools	0	At least 25%	At least 30%	SSO website/ SSO Reports

5. SECTOR APPROACH ASSESSMENT

A comprehensive sector assessment for the whole PAR has been done detailing each of the assessment criteria envisaged for the adoption of sector approach in pre-accession assistance. As echoed by the last EU Country Report, the country is moderately prepared with the PAR. While there is some progress in terms of legislation and service delivery to citizens and businesses, a noticeable number of strategies, policy documents and other acts overarching PAR are either expired or not yet adopted. In fact, the MISA in cooperation with OECD/SIGMA is currently working on the new Strategy on PAR (2017–2022) which, on the basis of the past experience, should also provide more adequate indicators for performance assessment.

Having this *incomplete strategic framework* in the background, MISA has a *well-defined and functioning coordination structure* in place for the implementation of future PAR strategy; however, its monitoring capacity to establish a reliable *performance assessment framework remains weak*. Another element hindering the maturity of the PAR is that it is not directly budgeted and its actions are not visible in the annual budget, making any estimation of its *mid-term expenditure framework hard to be made*. These elements suggest that although the sector would significantly benefit of IPA II assistance, it won't be ready to adopt a fully-fledged sector approach at least until the new strategic framework (with related PAF and possibly more elements to estimate budgetary implications of PAR implementation) is finalised and formalised.

Indeed, PAR has a particular significance for the European integration process of the country and the necessary development of institutional capacities in adopting required regulations, procedures and standards in line with the EU membership requirements is of paramount importance. It is indeed necessary to establish a system for better manage, coordinate and implement the future PAR Strategy for the period 2017-2022. The functional analysis of the institutional framework¹ that will take into account duplication of competences fully responds to this need. Similarly, in order to make the system more efficient and further harmonised, as well as more user-oriented, flexible and cost-efficient, it is necessary to introduce changes in the statistical production. This means to rely much more on differentiated data sources, to integrate collection, processing, validation and aggregation of statistics harmonized with EU *acquis* for the needs of National Accounts².

Alongside the strengthening of PAR implementation, the further support to the development of a mid-term budget perspective is certainly recommendable, also in order to provide additional support to accountability and good governance in public finance and support enhancing financial management and control.

6. CROSS-CUTTING ISSUES

GENDER MAINSTREAMING AND EQUAL OPPORTUNITIES

The country has put in place the legal framework to ensure gender equality through the adoption of the Law on equal opportunities for women and men and the Law on prevention of and protection from discrimination. The current legal framework actually prohibits discrimination on the grounds of gender and sexual orientation and prescribes that equal representation of men and women exists when one sex is represented with at least 40% per cent in bodies at all levels (state, municipal levels other institutions).

Official data³ show that the country generally respects the principles of gender equality in the public administration seeing women employed in the public sector equalising the 53% of the total. These

¹ Result 1 in this Action Document

² Result 2.1 in this Action Document

³ Annual report on the data from the public sector employees register

principles are not fully applied when it comes to some of the minorities though⁴. However, more extensive researches are needed to reveal if these principles are applied in terms of managerial positions within the ministries and other bodies of the Government.

Despite the generally positive picture, in implementing the planned activities, the EU support will further seek to empower women to exercise their rights. The action encompasses activities which will have positive impact on promoting gender mainstreaming and safeguarding equal opportunities. Particularly important in this regard is the planned improvement in the transparency of the public administration (Activity 1.2) and the improved quality and availability of social statistics (Activity 2.1), which will ensure that cases and level of discrimination are revealed and hopefully – addressed. In addition, the efforts to improve ethics and professionalism in public administration per se mean mainstreaming of gender equality concept.

MINORITIES AND VULNERABLE GROUPS

Similarly, the activities encompassed in this Action will address indirectly the issues related to minorities and vulnerable groups.

The Constitution entrenched the principles of the European Convention on Human Rights guaranteeing the supremacy of this Convention over national legislation.

As regards international human rights instruments, all major UN and international human rights conventions are ratified. All minorities are represented and SIOFA is in charge of monitoring of the public administration reforms and other areas which are directly or indirectly associated with the implementation of the Framework Agreement, which envisages:

“Laws regulating employment in public administration will include measures to assure equitable representation of communities in all central and local public bodies and at all levels of employment within such bodies, while respecting the rules concerning competence and integrity that govern public administration.”

The Strategy for the Roma (2014 – 2020) also envisages measures to even the level of involvement and integration of all ethnic groups and combating discrimination.

To support the development and strengthening of adequate capacities in the delivery of public service, the accession to public information and the integrity of public administration, IPA II assistance indeed represents a key element.

In this framework, the implementation of this Action will further enhance the respect for minorities and vulnerable groups. For example, the improvement of public service delivery (Activity 1.3) will deal broadly with extension of e-services and accessibility standards: this will facilitate the fruition of public services among the less advantaged groups (disabled or people living in remote areas, very often from minority origin).

Similarly to the impact that the Action will have in ensuring equal opportunities, the introduction of codes of ethics and limitation of discretionary powers within the public administration will contribute in decreasing all sorts of discriminations.

Moreover, the reorganisation of inspection services (envisaged in Activity 1.1) will lead to a major surveillance and quicker reaction in all cases of discrimination based on nationality, religion or other issues.

In a broader context, the production of enriched social statistics (Activity 2.1) will eventually enable policy makers to have more precise data on the population conditions and therefore design policies that are conceived for or targeted to minorities and vulnerable groups.

⁴ Among Albanian, Turks and Roma the ratio of women employed in the public sector is approximately 40%.

ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER NON-STATE STAKEHOLDERS)

The action has been developed and will be implemented in close cooperation with the civil society organisations.

The Strategy for cooperation of the Government with Civil Society Sector (2012-2017) sets out the objectives, principles and forms of cooperation with civil society. The Action Plan for its implementation includes measures that are directly addressing the cooperation with civil society in the five priority areas of the PAR. However, although regulated, the engagement of citizens in the decision-making processes has not been implemented to a standard that could genuinely allow an inclusive involvement of CSOs in the development of public policies. Although this is not the main objective of this Action, its implementation will contribute to changing the situation – improving the transparency will arm the civil society with timely and higher quality information on the sector reforms (Activity 1.2). The improvement of statistics production and dissemination (Activity 2.1 and 2.2.) would also enlarge the public information available for policy analysis. The lack of information has been identified by the civil society as a main barrier to its participation in the policy-making. By resolving this issue, the action will also support civil society giving it tools to assume a more active role in crafting the sector policies.

In addition, NIPAC established a consultation mechanism with the CSOs at sector level based on registration and networking of Sectorial Civil Society Organisations – SECOs. This mechanism enables the exchange of information and contribution of CSOs in relation to programming and monitoring of the international assistance including IPA II. Members of SECO participate in the meetings of PAR Sectorial Working Group (SWG), established within the introduction of the IPA II sector approach and involved in programming and monitoring of the EU funds and in assessing the advancement of the new PAR. In parallel, the European Commission has established the IPA consultation mechanism involving over 250 civil society organisations. These mechanisms operate smoothly allowing feedback from the civil society on programming and in future – on the monitoring of the EU aid but also on monitoring of the achievement of the results and the objectives of the actions.

ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)

As part as a wider obligation to sustainable development, the EU has a longstanding commitment to address environmental concerns in its assistance programmes. This action, although not directly focused on environment, will have a positive impact on addressing the environmental challenges in future in several ways: 1). By strengthening the public administration in general, which is the driver of the reforms in the environmental sector as well; 2). By strengthening the inspection services, including the Environmental inspection body, 3) By improving the transparency of the administration and introducing transparency standards, which also means an easier access to environmental information. In addition, the investments in the state statistical office (Activity 2.1) means improvements in the mode of collecting and dissemination of statistics, including the environmental statistics, serving both civil society (environmental organisation) and the decision-makers in the policy-making process.

7. SUSTAINABILITY

This Action envisages supporting activities which are included in the draft PAR Strategy 2017-2022. In this sense, the sustainability of the Action is interlinked with the sustainability of the overall sector reform. The draft PAR strategy aims to reform public administration in line with the Principles of Public Administration, and is therefore in line with the new approach advocated by the Commission.

However, given the still uncommitted political support to PAR, it emerges quite clearly that there is a widespread uncertainty on the availability of sound financial provisions to effectively implement it. Therefore the adoption of the Strategy and the commitment to ensure the needed resources for the PAR have been included as pre-conditions for launching this Action.

The proposed activities have a strong long-term impact and the sustainability prospects remain high. For example, the reorganisation and optimisation of the institutional framework (envisaged by Activity 1.1) will be designed taking into account a more sustainable (and cost-contained) setting of the public administration and eventually decrease redundancies and double spending. The improvement of E-

services delivery (Activity 1.3) is per-se oriented towards a more rationalised, sustainable and cost-effective management of the public administration.

Furthermore, the introduction of code of conducts and ethics among the public institutions (Activity 1.2) is also oriented to a more sustainable public administration; implicitly, the fighting and preventing of corruption also means that the costs of corruption in terms of collateral damages and waste of resources will be contained, with the ultimate goal of a more sustainable public administration.

Taking into account the crucial role played by PAR in the EU integration process and eventually in the future accession negotiations, the willingness of all involved institutions in optimising and profiting of the IPA II assistance and in achieving a consolidated, robust and sustainable management of public administration has to be assumed and taken for granted.

Finally, any support for *acquis* alignment under this Action will be done by ensuring an inclusive and evidence-based process according to the national legislation in force and by involving key internal and external stakeholders through inter-ministerial and public consultations. Any relevant training, capacity-building and human resources development activities will be coordinated with the institution that is centrally responsible for human resources management and professional development of civil servants. All activities supporting the development of IT tools will ensure consistency with the interoperability standards. Any support to reorganisation of public institutions shall be accompanied with a commitment by the national authorities to grant the sufficient legal powers, resources and staffing necessary to discharge their mandate. When written procedural manuals or guidelines are developed, they need to be done through support of the staff of respective organisations so that they can continue to update these manuals independently and without external expert support. Any guidelines or procedures developed shall not contradict with any legal provision of the country.

8. COMMUNICATION AND VISIBILITY

Communication and visibility will be given high importance during the implementation of the Action despite its very "institutional" character. A communication plan will be prepared by the EU Delegation and the main beneficiaries to identify which are the main "drivers" of visibility in this action allowing for an adequate promotion of the EU support. The communication plan will propose "out-of-the-box" solutions for communicating the EU aid that demonstrate the benefits of the actions to the large public, the added value and impact of the EU's interventions. Thus the communication activities will also promote transparency and accountability on the use of funds. These action-level communication activities will be funded partially from the EUD INFO&COM budget and partially through the planned contracts (the requirements and obligations will be established in the relevant terms of references)

At contract level, all necessary measures will be taken to promote the EU funding in line with the Communication and Visibility Manual for EU External Actions. In principle, each contractor is obliged to prepare a separate communication plan, which is approved by the EUD. The EUD places a specific focus on interactive and innovative ways of communication. In this respect, clear instructions are given to each contractor already at the procurement stage and later – at the contract start. Significant part of the activities will be mostly targeted to the administrative servants and professionals in the public sector (personnel working in the administrations, users of statistics, and holders of public information). Although rather wide, this represents quite a specific and well defined target group, which needs to be covered. The implementation of the visibility activities shall be funded from the separate contractors..

The action envisages some outputs with very high communication potential such as the e-Citizens and e-Business applications, the tool for reporting corruption, the transparency standards, the e-learning platform, the electronic dissemination of statistics. These will be used fully in two ways – to promote the EU and to increase the sensitiveness of the general public on public administration reform in the country.