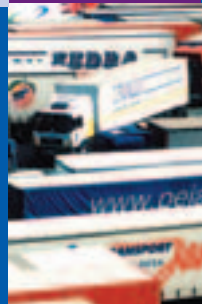
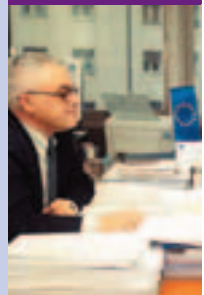
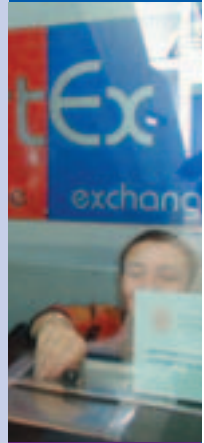




# The European Union and the Western Balkans



# Administrative Capacity Building





## administrative capacity building - working towards reform

### Shared goals

As the countries of the Western Balkans move closer to the European Union, much of the progress depends on how well government and other official bodies function. So the EU is putting money and assistance into the region, within the framework of the Stabilisation and Association process, so that administrations can perform their role effectively.

Administrative capacity building stretches across every aspect of government, from local authorities to tax ministries, and from public procurement to statistics. It provides co-ordination between policy making and implementation and eases the introduction of reforms. Improving the environment, operating effective police forces and fair courts, allocating regional aid, or running elections all require a well-trained and professional civil service.

### Delivering assistance

The EU is spending over € 200 million between 2002 and 2004 to strengthen reform in government and administration in Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, and Serbia and Montenegro. Most of the assistance is delivered through the EU programme known as 'Community Assistance for Reconstruction, Development and Stabilisation' – CARDS – which has already committed € 4.65 billion to the region between 2000 and 2006.

The statistical system in Montenegro was increasingly unable to supply the data needed as the Republic's market economy started to develop. The main economic indicators were not reflecting the true picture, in part because the system still focused on state economic operators, ignoring the growing importance of the private sector. In addition, outdated standards were being used, and there was a lack of professional capacity in using modern methods of data collection and processing. The problems were aggravated by the complex political make-up of Serbia and Montenegro, with some statistical responsibilities managed from Belgrade.



Logo of the Statistical Office of Montenegro

In co-operation with Eurostat, the EU's statistics office, a master plan has been formulated for the statistical office of Montenegro, Monstat, to establish the correct pattern for production of the most important statistical indicators, in line with international standards. It also foresees the re-organisation of the statistical office, a new law on statistics, and a programme of statistical surveys.

A € 638,000 project started in 2002 has already been extended with another € 120,000 in 2003. It includes extensive training on statistical methods, computer literacy, web design and English, as well as study visits. A new logo and name were devised as part of a branding exercise to help the organisation's presentation as an apolitical organisation.

In the short term, EU assistance has also defined an internal policy for Monstat, and introduced new statistical methodology for national accounts that serve for calculation of Gross Domestic Product (GDP). It has also supplied some equipment, such as office furniture and IT equipment.

Co-operation with other national and international bodies has improved. And medium-term plans include a census and other sample-based statistical surveys - although these will require significant support and technical assistance. Monstat is also planning to double its staff to around 200 people.



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## The challenges

Successful integration into European structures can be impeded if state institutions are weak. Drafting new laws to help the integration process often requires special skills and experience. And even after the right legal framework has been put into place, it has to function as intended, and to be reliably administered and enforced at all levels.

Sometimes there are just not enough trained people to do this comprehensively. Sometimes there are not sufficient technical means, know-how, equipment or infrastructure. Management structures and working methods are not always matched to the task. Ministries and other government bodies have differing levels of awareness and knowledge about European integration, and they do not always communicate internally among themselves.

Institutional complications and political uncertainty in the region have added to the problems that all transition countries face. Political interference has a cost in terms of administrative capacity, and also makes it harder to stamp out corruption. In addition, the results of public administration reforms take time to be felt as new institutions are established and new procedures introduced.

The aim is to make the best use of government resources and public money – whether it relates to boosting jobs and growth, gathering taxes, protecting the environment, operating effective customs and border controls, or combating fraud, corruption, and organised crime.

## The EU response

Help from the EU is geared towards enhancing overall administrative culture in the countries of the region. The aim is to guarantee a non-partisan and professional state administration, with career paths based on merit, robust civil service codes of conduct, and rules on conflicts of interest.

Administrative reforms required for EU accession can only succeed if general support systems are in place for policy planning, inter-ministerial co-ordination and government decision-making, as well as for human resources management, budget procedures and overall control mechanisms.

State bodies directly responsible for issues linked to EU integration and the operation of the internal market have also received attention. Much of the emphasis has been on regulations governing such areas as trade, customs, standards and certification, metrology and calibration, public procurement, competition and state aid, consumer protection, and intellectual, industrial and commercial property rights. Advice has been given on new legislation that will meet European standards, equipment and specialised training have been provided,

and independent environmental agencies and inspectorates have been set up.

### CARDS allocation for Administrative Capacity Building

Million Euro 2001-2004



\* Kosovo 72.2 Montenegro 19.7 Serbia 114.1

The operation of justice has also been a priority area for assistance as the police and the judiciary are not only public services themselves but are also entrusted to uphold the law. Thus, courts and prosecutors have been helped to combat corruption, legal systems have been assessed to identify weaknesses and internal and external control and audit systems have been designed to deter malpractice.



Police forces are also being provided with modern equipment for the exchange of information and high-tech communication systems compliant to EU standards. This is accompanied by comprehensive training on investigation techniques and management.

Legal frameworks for the financing of political parties have received attention to provide for independent controls, and help has been given to allow minorities a fair share in the public life of their country.

The success of public administration reform in Croatia largely depends on civil servants and their readiness to make fundamental changes in the way they work. A € 1.5 million EU project currently underway in Croatia is supporting this process by drafting new legislation on administrative reform – affecting as many as 250,000 people across 19 ministries.

The project aims to strengthen and modernise civil service legislation and the organisational capacity of the Central State Office for Administration, and to support the setting up of a continuous training system for different categories of civil servants, including development and implementation of a pilot civil service training programme. Much of the focus is on introducing a recruitment and promotion system that more closely reflects merit in the service.

So far, policy and legal advice has been provided on legislative change, and a draft law prepared. A training needs assessment was conducted through consultations with 700 civil servants, and already 40 staff has been trained as trainers. And a training policy paper has been presented to the deputy prime minister, including an option to create a dedicated training centre.



State Office for Administration,  
Zagreb, August 2004

## Practical help

The European Union has set up a series of Customs and Fiscal Assistance Offices in the countries of the region, to help in modernisation and development, to boost customs revenue and cut fraud, corruption and money laundering. Much of the assistance has been at a technical level, transferring the necessary skills to local officials, and putting in place automated systems for customs data that allow complete import and export statistics to be collected for the first time. Recommendations have also been made to governments on organisational structure, and new units responsible for trade control, debt management, intelligence and investigation are increasing revenue yield by detecting evasion.

National authorities responsible for civil aviation have been strengthened with EU assistance, ranging from senior staff appointments to upgrading air traffic control operations. Statistical offices have been computerised, staff trained and censuses organised resulting in better data emerging to help decision-making.

Twinning supports and finances the secondment of civil servants from EU Member States to work as advisers to beneficiary institutions for a period of at least twelve months, and is running in, among other areas, statistics, internal audit and customs.





Help has been given so that countries can adopt legislative frameworks which ensure smoothly managed decentralisation and the development of capacity among local self-government bodies to undertake transferred responsibilities. And as recruitment, motivation and retention of competent staff are keys to success in all areas of administration, strategies have been developed providing clear job classification and evaluation, respect for appropriate salary structures and training in specially created institutes.

### Perspectives for the future

Budgetary constraints need not prevent administrative reform, as progress often depends on efficiency and organisational improvements and on the redeployment of staff. But progress is a precondition for the success of the many reforms which the countries in the region must undertake to engage in European integration.

The agenda adopted by EU and regional leaders at the Thessaloniki summit in June 2003 makes explicit mention of objectives and initiatives in the field of institution building - and the European Commission is working to take these forward.

The CARDS programme is providing vital tools that afford more than short-term technical assistance. Getting the right administrative capacity in place now is an investment that will pay dividends in the future, as these countries become more closely linked with the EU and move towards membership.

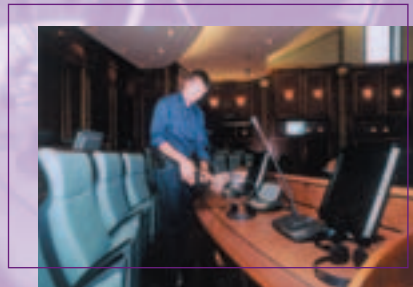
Drafting legislation is the privilege of a state and is a skilled task. In Kosovo, where the Provisional Institutions of Self-Government now have competence for the first time to draft laws, the task has additional complexities. So extra skills have been brought in to help under an EU assistance programme providing direct input to the prime minister.

The project started in early 2003, and runs for eighteen months, with a budget of nearly € 4.5 million. The support is intended to ensure that laws and regulations introduced in Kosovo meet a number of overlapping requirements. They must not only be in accord with Kosovo's Constitutional Framework, but they must also match the EU *acquis* and best practice.

As an added discipline, new laws also have to take account of Kosovo's linguistic regime. Kosovo has three official languages - Albanian, Serbian and English - and it is essential to check that new laws are equivalent in all three, to avoid conflicting interpretations later.

At the same time, experts are helping to build up the skills of the local officials they are working with, and developing training programmes in drafting legislation and policy making on EU affairs. The training on EU affairs is targeted particularly at young professionals.

This assistance fits into a broader programme of EU support for administrative capacity building in Kosovo, which has helped the Assembly develop into a modern functioning parliamentary body, boosted ministries' capacities for internal audit, given new structure to career development for officials, and built up the capacity of staff in municipalities to deliver improved public services locally.



Kosovo Assembly, Pristina, April 2004



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