

## Project Fiche – IPA Multi-beneficiary programmes / Component I

### 1 IDENTIFICATION

<b>Project Title</b>	<b>Support for Improvement in Governance and Management (SIGMA) in the Western Balkans and Turkey</b>
<b>CRIS Decision number</b>	2013/024091
<b>Project no.</b>	01
<b>MIPD Sector Code</b>	1. Public Administration Reform (PAR)
<b>ELARG Statistical code</b>	01-34 Institutions
<b>DAC Sector code</b>	15110
<b>Total cost (VAT included)<sup>1</sup></b>	EUR 10 204 000
<b>EU contribution</b>	EUR 10 000 000
<b>Management mode</b>	Joint management
<i>Responsible unit</i>	Unit D3 Regional Cooperation and Programmes, DG Enlargement
<b>Implementation management</b>	The programme will be implemented by OECD-SIGMA in joint management with the European Commission
<b>Implementing modality</b>	Stand alone project
<b>Project implementation type</b>	Contribution Agreement
<b>Zone benefiting from the action(s)</b>	Western Balkans: Albania, Bosnia and Herzegovina, Croatia, Kosovo*, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Turkey

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<sup>1</sup> The total includes an estimated amount of EUR 150 000 in eligible VAT costs in line with the agreement reached between the EC and OECD under grant agreement 2010/253-091, of which this is an extension.

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

## **2 RATIONALE**

### **2.1 PROJECT CONTEXT: ISSUES TO BE TACKLED AND NEEDS ADDRESSED**

“Good governance” underpins respect for and protection of human rights, democracy and the rule of law and enhances socio-economic development and economic growth. Most states of the former Yugoslavia made some early improvements in governance, but this seems to be stalling. A well-functioning public administration is a precondition for the Stabilisation and Association process.

The European Commission considers that public administration reform (PAR) should be more performance-oriented in order to achieve the fiscal and institutional sustainability of the public sector, improve delivery of important services to citizens and businesses and to provide oversight through transparency and accountability. Increased legitimacy, credibility and predictability are crucial for improving the connection between government and citizen.

The SIGMA Project aims to strengthen the foundations for improved public sector reform and governance in the Western Balkans and Turkey to align the public sector with European governance principles. It also sets out to further build the capacities of the public sector, enhance horizontal governance and improve the design of public administration reforms (including proper prioritisation and sequencing) as well as their implementation (including performance-oriented monitoring and assessment by the Project). SIGMA will thus help to more effectively and strategically target IPA assistance.

### **2.2 LINK WITH MIPD AND NATIONAL SECTOR STRATEGIES**

Efficient and effective public administration is crucial to fulfil the Copenhagen membership criteria and has a key role to play in improving governance through more stable institutions and the implementation of an anti-corruption agenda. Support to public administration and governance will therefore continue to be a priority as far as the IPA Instrument is concerned.

Public administration reform and good governance is a prerogative for national sector strategies, which are supported both, through national and MB IPA (MIPD 2011-2013) funds, with SIGMA and other MB support providing the analytical and strategy input as well as monitoring of progress.

### **2.3 LINK WITH ACCESSION PARTNERSHIP (AP) / EUROPEAN PARTNERSHIP (EP) / STABILISATION AND ASSOCIATION AGREEMENT (SAA) / ANNUAL PROGRESS REPORT**

PAR features prominently in the Accession Partnerships, European Partnerships as well as Stabilisation and Association Agreements. Its state of play is regularly assessed in the Annual Progress Reports.

#### ***2.3.1 Albania***

Despite some reform measures such as the Council of Ministers’ decision of June 2011 on the structure and organisation of public bodies, essential steps in public administration reform have not been completed. The adoption of relevant legislation is pending and contingent upon overcoming the persistent political stalemate. Existing laws and administrative acts are not

being fully implemented. In the institutional context, the Albanian Department of Public Administration (DOPA) continues to lack sufficient authority to take up its role fully.

The establishment of an independent, merit-based and professional civil service free from political interference (particularly as regards appointments) has yet to be achieved. Limited progress was made on new types of auditing, such as certification and performance auditing, which is being developed gradually by the Supreme Audit Institution (SAI). However, reporting to the Parliament on audit findings and the follow-up of audit recommendations still needs to improve in order to enable the SAI to fulfil its role in the national governance framework.

The Ombudsman has been elected by the Parliament in December 2011 and assumed his duties in early January 2012. He has been a key actor in providing recommendations and monitoring various institutions to ascertain legality and fairness of the administration's decisions and activities. Although the public perception of the Ombudsman appears to be positive, particularly since the last months, a structured assessment comprising accurate data and evidence of its internal and external effectiveness would be required.

Preparations in the field of public procurement have moderately advanced with efforts required to bring the legislative framework on public procurement in line with the *acquis*. The institutional framework and delineation of competencies of all public procurement institutions need strengthening. Substantial efforts are needed to strengthen the administrative capacity of all internal control institutions. Amendments to the SAI Law have still to be adopted in order to bring the legal framework fully into line with the standards of the International Organisation of Supreme Audit Institutions (INTOSAI). There is limited progress in the areas relating to the protection of EU's financial interests.

### **2.3.2 Bosnia and Herzegovina**

Limited progress has been made in public administration because the reform process lacks political support. The implementation of the public administration's strategy has continued but the coordinating structures at Entity and Cantonal levels remain insufficient.

The Public Administration Reform Coordinator's office (PARCO) has weak enforcement powers. The country's administrative structures need to be strengthened substantially in order to be able to respond effectively to the requirements of the EU accession process. These structures remain cumbersome and fragmented and there is an unclear division of responsibilities within the various levels of government.

Continued fragmentation and politicisation of the civil service system remain issues of concern. The establishment of a professional, accountable, transparent and efficient civil service based on merit and competence requires further attention. The recommendations of the Ombudsman of Bosnia and Herzegovina have not been implemented by the relevant authorities at State, Entity and Cantonal level, again due to weak enforcement.

Preparations in the area of financial control progress slowly, but more skilled staff is required and financial management and control systems should be further developed. Independence of the State-level SAI remains to be addressed.

### **2.3.3 Croatia**

Progress in PAR was reported before the elections. Further efforts are needed to improve professionalism and to ensure a proper implementation of the relevant legal framework in order to build a modern, reliable, transparent and citizen-oriented public service.

In order to allow the full application of the General Administrative Procedures Act (GAPA), the harmonisation of the relevant sector legislation has continued and most acts have now been adopted by the Croatian Parliament.

Greater attention should therefore be paid to the Ombudsman's recommendations to increase his role as an institutional counterweight of defending the rights of citizens and combating maladministration.

Alignment with the *acquis* is nearing completion. Special attention should be paid to aligning the secondary legislation with the new Public Procurement Law, maintaining the coordination mechanisms and enhancing the capacities of the institutions in the sector by means of the continual training and professional development of their staff.

Croatia has reached an advanced level of alignment in the area of financial control. It is necessary to improve the overall functioning of the PIFC and external audit in Croatia at central and local level.

### **2.3.4 The former Yugoslav Republic of Macedonia**

Progress was made in PAR in terms of policy coordination and legislative developments. A Ministry responsible for PAR was created and the Law on General Administrative Procedure was amended. An e-government interoperability system was launched among several institutions. Limited progress in implementing the reforms was made.

Significant additional efforts are needed to guarantee transparency, professionalism and independence of the public administration in practice. Further improvements of the current legal framework are necessary, in particular the law on general administrative procedures. In the area of public procurement, legislation on concessions and public-private partnerships still remains to be aligned with the *acquis*.

Procurement procedures have been made more transparent and enforcement improved but the administrative capacity of the contracting authorities is still weak. The legal environment for the enforcement of remedies was improved but the administrative capacity in the field of remedies and concessions remains weak.

There has been little progress in the alignment of financial control legislation and the establishment of Financial Management and Control systems has not yet taken place. The State Audit Office's (SAO) administrative capacity has been further strengthened but the independence of the SAO has yet to be guaranteed in the Constitution. Cooperation with the Parliament remains a concern.

### **2.3.5 Montenegro**

Important steps have been taken to address the main challenges of PAR by the adoption of a public administration reform strategy and an improved legal framework in the area of civil service and state administration aiming at efficiency and de-politicisation. Legislation

regulating administrative procedures has been amended. The Human Resource Management Authority (HRMA) has been strengthened but the adopted legislation has yet to be properly implemented.

The capacity of the Ombudsman and of the State Audit Institution should be improved. Implementation of the Public Administration Reform Strategy should take account of the need to rationalise administrative structures, strengthen administrative capacity and at the same time ensure the financial sustainability of public administration.

Despite good progress in public procurement, further alignment with the *acquis* and adoption of the relevant implementing legislation is required. Further work is also required in the overall institutional set-up for public procurement.

Implementation of the financial management and control systems is required and the internal audit function needs to be further developed. Development of external audit remains on track. Montenegro is still at an early stage of developing cooperation with OLAF. The capacity to fight counterfeiting of the Euro should be increased.

### **2.3.6 Kosovo**

Limited progress took place in on PAR. Some laws and regulations have been adopted. Efforts to implement the strategies and legislation need to be stepped up. Furthermore, the skills of the civil service to build a professional public administration free from political interference are to be significantly improved.

The procurement legislation, notably the law on public private partnerships and concessions, needs to be completed and improved to meet the requirements of the *acquis*. The three public procurement bodies should cooperate more efficiently and the independence of public procurement officers should be further strengthened.

Concerning internal audit, the basic legal framework is in place and attention has now to be given towards implementation. Practical implementation of public internal financial control remains at an early stage. Internal audit needs to progress from compliance testing to being used as a managerial tool. Further awareness-raising is required to develop a greater understanding of managerial accountability and to proper financial management and control systems. External audit practice is progressing well.

### **2.3.7 Turkey**

There has been some progress in legislative reforms with regard to the public administration and civil service but greater political support for public administrative reform and decentralisation is necessary. Moreover, institutions have various level of institutional capacity which results in different levels of efficiency.

Progress has been made at the level of accountability in the sense that the Ombudsman Unit has been accepted as a constitutional body by the final changes in the constitution in 2010 and is therefore now functional. By the law nr 6328, the Ombudsman was established on 14 June 2012.

Limited progress can be reported in the area of public procurement: the administrative capacity should be improved. The draft alignment strategy with a time-bound action plan is ready and is yet to be adopted. Turkey still has to repeal derogations contradicting the *acquis*

and to further align its legislation, particularly on utilities, concessions and public-private partnerships.

Further progress in an already fairly advanced level of alignment of financial control has been made. Legislation implementing the Public Financial Management and Control Law (PFMC) Law is fully in force. The Policy Paper and the action plan are to be revised. The adoption of the Turkish Court of Accounts Law was a significant step in further aligning external audit with relevant international standards.

The Turkish Anti-Fraud Coordination Service (AFCOS) needs to continue reinforcing its coordination function, its operational independence and its operational network.

### **2.3.8 Serbia**

The legal framework providing for public administration reform (PAR) is largely in place in Serbia and administrative capacities are generally well developed, in particular at central level. The implementation of the Strategy adopted in 2004 and supplemented by an Action Plan covering the period 2009-2012 - is affected by a lack of coordination among stakeholders and insufficient managerial capacities under the auspices of a Council reporting to the Prime Minister. Monitoring of PAR implementation needs to be further improved. A draft strategy for the period beyond 2012 has been drafted. There is a need for further alignment of legislation and more effective implementation of the existing legal framework and strategy.

The establishment of a merit-based recruitment and career system is not yet complete and appointments remain vulnerable to politicisation with managers still having excessive discretionary powers. A stronger political commitment and a strengthened strategic approach to reform are needed. Public administration is weak at the local level. Independent regulatory bodies such as the Ombudsman, the Commissioner for Free Access to Public Information and for Data Protection, the State Audit Institution, the Anti-corruption Agency and the Equality Protection Commissioner have been established in all important areas. A clear basis for their funding and a satisfactory degree of autonomy for planning and implementing the budget was created. Their 2010 annual reports provided valuable information for parliament to exercise its oversight powers over the executive, but Parliament has given only limited attention to recommendations and legislative proposals tabled by independent regulatory bodies like the Commissioner for Free Access to Information of Public Interest who has been very active and has enjoyed the confidence of the public. Since 2008 – the year where the state budget had been audited since 2001 - the SAI has steadily improved its performance, its status and its cooperation with other independent regulatory bodies despite the fact that recruitment has to be completed.

The public expenditure management system, including public internal financial control, is based on a comprehensive budget system law, but the analytical capacity and conceptual understanding of key elements of effective public expenditure management as well as managerial accountability would need to be further strengthened.

Substantive changes have been made to public procurement under the pro-active leadership role of the Ministry of Finance, including a new anti-corruption strategy which contains a section on public procurement involving internal and external control measures. The new Public procurement Law – for the most part in line with the *acquis* – has been approved by the government and has been submitted to parliament for adoption. A new PPP and Concessions Law (PPP Law) adopted on 22 November 2011 came into force early December

2011. A new advisory body, the PPP Commission, is being set up and will be based within the Ministry of Economy. A Procurement Strategy (2011-2014) includes propositions aimed at improving and updating the PPL and the legislation covering concessions and PPPs, institutional changes including the setting up of a new centralised procurement purchasing body and improved co-ordination between institutions, capacity building and professionalisation, e-procurement, frameworks, social and environmental issues. A number of the activities identified in the action plan are underway. Improvements have also been made in terms of institutional set up and capacity. This range of initiatives has the potential to reduce corruption tangibly if implemented properly and enforced with the necessary political support and better inter-institutional cooperation, but it is too early to assess the impact of the initiatives. Practical implementation at the level of contracting authorities, of which there are several thousand, remains a concern.

## **2.4 PROBLEM ANALYSIS<sup>2</sup>**

The countries of the Western Balkans and Turkey are all at different stages in the EU accession process and as regards public governance they differ in a number of ways. Nevertheless, there are a number of common characteristics of governance hindering progress in PAR.

The understanding of the rule of law has not yet been wholly established in institutions or in people's behaviour and mentalities. Often, basic functions of the state are not fully assured. Previous patterns of behaviour are re-emerging, especially distorted forms of party systems ("partitocracy"), personalisation of power and patronage, and criminality. Social organisation as well as social demand, trust and expectations of the state are low. In some cases, the citizens' identification with the state and their allegiance to it are not fully formed. Corruption remains a problem in both the political sphere and public administration.

This is a difficult context for a professional, reliable public administration to emerge. There exist several common weaknesses:

The institutions providing the "checks and balances" in a democratic system, especially parliament and judicial review, are weak. However, the ombudsman function appears to be relatively effective in some countries. There are also examples of effective supreme audit institutions.

- The "package" of administrative laws is largely in place albeit with some deficiencies and incoherence; the real problem is lack of implementation capacities and respect for the rule of law. Administrative procedures tend to be sector or law specific, although there are increasing initiatives to introduce General Laws.
- Policy systems are still too weak. Policy thinking, generating policy options and effectively implementing policy remains generally poor, particularly within line ministries. Virtually no attention is paid to impact assessment, participatory consultation with stakeholders or follow-up of implementation.
- The overall administrative architecture is fragmented, cost-intensive and uncontrolled, leading to a proliferation of agencies and other dysfunctions. Severe coordination problems are frequent;
- Resource allocation lacks transparency, ministries do not have capacities to plan and contribute to this. The understanding of the concept of value for money is not developed

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<sup>2</sup> Details of the PAR status of Western Balkan countries are contained in the Regular Reports and SIGMA assessments.

at any level of the administration. National budgets are not understood as policy instruments and sound, effective management of public finances is not seen as an important part of public administration. The system of managerial responsibility and delegation of authority, a core principle of financial management, has not been properly developed.

- Civil service reform efforts have not yet had the desired effect of reducing politicisation and other distortions. A professional class of permanent civil servants, upon which holders of public office rely and which can exercise a check on power, has not emerged.

Overall, reforms fall short of addressing certain horizontal areas – especially those directly related to procurement or public finance, where there are significant financial incentives.

Government institutions do not have much experience in designing and paving the way for reforms, and in implementing these across institutional boundaries. Consequently, while all beneficiaries have PAR strategies and ministries, strategic plans do not transpose the reform in all its complexity, relevant stakeholders (e.g. the Government Office, Ministry of Finance) are not sufficiently involved, and budgetary links are weak or non-existent.

In most policy domains, financial impact assessments are not carried out, yet PAR often has potentially large consequences, for example on the current budget (through pay) and future budgets (through pensions). Public administration ministries focus mainly on administrative law especially civil service law and more recently, administrative procedures.

PAR has generally failed to bring about substantive change, largely because it fell short to recognise the broader context and political process of decision-making and how administrative changes come about in an environment with difficult political dynamic. It is therefore essential that any new approach towards governance and PAR takes into account a number of underlying essential elements and principles that allow for a tailor made approach rather than 'one-size-fits-all'. A broader set of institutions, including those carrying out checks and balances on administrations, need to be involved, reform processes ought to be properly understood, tools for change management to be developed and in general stakeholders encouraged to articulate their demand for better governance in order to anchor the reform process in a bottom-up approach.

Assessment and monitoring processes should be strengthened and directed towards assessing performance, which should be complemented with the identification of key gaps and delivering support to make genuine progress in terms of planning, sequencing, priority setting and implementation of PAR. In parallel with central government reforms, more attention should be paid to decentralisation and increasing institutional and financial autonomy and sustainability of local governments. However, SIGMA will concentrate on first strengthening central horizontal functions as a matter of utmost priority. Political sensitisation of all stakeholders to set out the importance of consolidated public governance reforms<sup>3</sup> in the process of Enlargement (along the same lines of the amendment of the negotiation process of Chapters 23 and 24) should complement more performance-oriented programming.

## **2.5 LINKED ACTIVITIES AND DONOR COORDINATION**

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<sup>3</sup> Cross-ministerial, government-wide systems of resource management, audit, effective resource allocation, control systems, based on a proper understanding of the "rules of the game" and informal elements such as attitude and behaviour reform.



All beneficiaries have national programmes and Twinning projects that touch upon one or different components of PAR. The majority of the programmes aim at improvement in the area of public financial management (PFM)/ public internal financial control (PIFC), public procurement, strengthening Supreme Audit Institutions (SAI), implementation of PAR strategies including strategic and operational planning, capacity building projects in the area of civil service training and other institutions such as State Appeals Commission and human resource management (HRM) policy for civil servants. Moreover, some national programmes fund the implementation of the e-Government strategy, preparation of new legislation and improved policy making.

As SIGMA focuses specifically on improvement of horizontal public management systems that are highly contextual and politically sensitive, it is complementary already from that angle, particularly in the area of public financial management (PFM) and public procurement area, the Law on General Administrative procedures (LGAP) and policy making and civil service reform. It is complementary in the sense that it has a flexible approach, maintains continuous relationships with the beneficiary and provides structured comparative inputs that will be useful to further improve country ownership.

SIGMA will support donor co-ordination in line with the OECD-DAC guidelines and should provide the foundation for more coherent programming of donor support, be it bilateral or multi-lateral.

SIGMA has also contributed to the strengthening of Regional School on Public Administration Reform (ReSPA) in the sense that it has given input to the development of the "communities of practice" and has contributed to the further maturing of ReSPA as a key centre of competence in the region in the field of PAR.

SIGMA is also complementary to a number of World Bank projects, mainly in the field of public financial management.

## **2.6 LESSONS LEARNED**

A review of the PAR strategies for 2010 in four IPA countries<sup>4</sup> coupled with accumulated experience over the last several years, has led the Project to re-assess its activities and substantive priorities. The review has also raised issues concerning the Commission's role and the use it makes of the Project, highlighting that technical fragmented solutions to PAR have not always worked on the ground in the Western Balkans.

In summary, the policy recommendations from the review are that the Commission and the Project should:

- Support moves towards a performance-driven approach to good governance and public administration reforms that provide incentives for progress to be made on the ground and set the scene for EU accession.
- Assist in strengthening the checks and balances of the democratic system i.e. pay greater attention to governance issues and uphold the principle of the "rule of law". Consolidation of the rule of law should be an overriding priority.

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<sup>4</sup> Albania, the former Yugoslav Republic of Macedonia, Montenegro, Serbia.

- Support the beneficiaries and the Commission on the development of realistic and fully “owned” PAR strategies subject to constant monitoring of implementation including stronger links between horizontal and sectoral approaches.
- Contribute to the Commission’s efforts in raising political awareness and commitment to governance reform, including strengthening assessment activities and possible involvement in Commission/country dialogue regarding PAR strategies and initiatives.
- Put more emphasis on implementation and provide support on how reforms and sectoral strategies are designed and implemented. Build up horizontal capacity and the necessary frameworks to support it.
- Concentrate efforts on a limited number of key horizontal systems such as completion and modernisation of the general administrative and accountability frameworks; policy production and coordination capacities; rationalisation/simplification of administrative structures (especially of enforcement mechanisms) and control over the evolution of the administrative system; public procurement and financial management.
- Deepen the evidence base of policies in various areas, such as public sector salaries and regulation of businesses, and particularly in proxy and survey instruments for monitoring progress.

One conclusion of the review was that the assistance strategies of the Commission in PAR were generating reform strategies which were often not fully owned nor implemented. It appeared that much reform activity was a reaction to the perceptions of the demands of the European integration process and that there was a perception that the EU was more concerned with reform activity than with results in terms of actual performance of governance institutions. A better synergy and coherence between the different instruments available should allow the Commission to increase ownership and develop a stronger political dialogue with the relevant beneficiary about priorities and performance, underpinned by proper policy analysis.

The SIGMA programme should be at the heart of the development of a refined policy on governance and public administration reform in support of the beneficiaries. On top of the activities implemented in previous phases of the Project, the SIGMA programme will aim to better guide the process of and capacity building for consolidated and sustainable reforms that should enable better preparation and implementation of the *acquis* in the region.

Priority should be given to the binding constraints to improvements at a sector level, which can be addressed through strengthening general administrative institutional and legal frameworks, improving policy making and coordination and increasing horizontal planning and implementation capacities. Increased attention will go to supporting the partners in the implementation phase.

Keeping in mind the trend towards using more sector-wide approaches, the SIGMA programme forms the basis for strengthening the ability to put in place sustainable strategies for reform, an expenditure framework, implementation plan, coordination framework and monitoring systems needed for effective sector activities.

### **3 DESCRIPTION**

### **3.1 OVERALL OBJECTIVE OF THE PROJECT**

The overall objective of the Project is to facilitate more sustainable governance and public administration reforms and to strengthen public administrations in the region so that beneficiaries' administrations correspond to European values of democracy, human rights and the Rule of Law, strengthen integrity, predictability, accountability, legality and transparency and provide quality policy outcomes supporting socio-economic development.

The Project will achieve improved performance by beneficiaries through a stronger focus on how reforms can be taken forward, implemented and assessed.

The general governance and public administration arrangements, which are addressed by this Project, condition the quality of policy-making and how sectoral administrations perform their tasks, i.e. they address issues such as legality, predictability and impartiality in administrative decision-making.

### **3.2 SPECIFIC OBJECTIVE(S) OF THE PROJECT**

To achieve the overall objective, the Project will focus on the following specific objectives:

- To assess governance and public administration performance of beneficiaries and develop monitoring and assessment frameworks to review progress against an agreed national strategy, and to envisage a long-term reform process.
- To support beneficiaries and the European Commission in formulating or adjusting existing strategies and action plans addressing priorities, sequencing, timetables and budgeting links with the aim of putting in place realistic and well-targeted governance and PAR plans.
- To develop horizontal methodologies and tools to assist governance and public administration reforms including change management, priority setting, stakeholder engagement and proper budgeting, and to provide support for increased planning and implementation capacity in the beneficiaries' administrations.
- To assist and improve beneficiaries' performance in key areas of horizontal governance and PAR including Rule of Law, civil service and administrative law, rationalisation of public sector organisation, integrity, public financial management, public procurement, policy making and coordination.
- To provide input to a more coherent use of EU instruments (political negotiations, policy dialogue and IPA funding) in the enlargement process and linking cross-region activities better with IPA national programmes.

In order to achieve these objectives, it is necessary to move from an ad hoc, demand-driven approach to a more strategic approach. Assistance will be provided by the Project in a planned and well coordinated way to underpin better implementation of PAR priorities. The Project will have a greater impact on governance and PAR by developing an assessment framework, assisting in the design of strategies and planning their implementation, targeting activities more to how reforms can be brought forward and contributing to better coordination and more effective use of EU instruments.

### 3.3 RESULTS

Governance is predominantly the responsibility of national authorities. However, the Project will support beneficiaries in taking ownership of the process of designing, monitoring and implementing governance and public administration reform processes, and assist the EC to facilitate policy dialogue on PAR.

The long-term result of the Project should be improved governance and public administration in the beneficiaries, which is more closely aligned with European principles of good governance and with the relevant *acquis*.

The main anticipated results are:

- An enhanced monitoring framework to enable regular assessment of beneficiaries' performance and better comparative evaluation of progress (not only reform activity), highlighting reform priorities and sequencing.
- Clear governance and public administration reform strategies and/or action plans implemented by beneficiaries that are realistic in terms of timeframe, sustainable, context-related and have a multi-annual budget that is fiscally sustainable over time.
- Improved capacities to design and implement horizontal governance and public administration reforms in the beneficiaries.
- Improved performance in key governance and public administration reform building blocks of the beneficiaries, in particular on consolidation of the Rule of Law:
  - A coherent, appropriate general administrative legal framework in place and properly implemented;
  - More professional civil service;
  - Improved policy capacities;
  - Improved public financial management and procurement;
  - Rationalised supervision and enforcement structures.
- Better use of EC resources and more effective contribution of regional instruments to country programmes in supporting strengthening public administrations of beneficiary countries.

### 3.4 MAIN ACTIVITIES

As agreed with the Commission the Project will carry out activities under the following headings:

#### ***1. Delivery of assessments and development of assessment frameworks***

- Enhancement of monitoring and assessment framework, including development of new methodologies and tools
- Regular progress and performance assessments of beneficiaries
- Analysis and assessment of legal frameworks, methodologies, systems and institutions, depending on the Commission's requirements.

In order to develop indicators for public administration performance, the Project will work closely with the World Bank project "Monitoring and Evaluation Capacity Development for the Western Balkans and Turkey" and build on the results achieved by the World Bank

project to develop a sufficiently robust public governance assessment and monitoring framework.

**2. Assistance to relevant institutions in the beneficiary countries with developing and/or fine-tuning their governance and public administration reform strategies and action plans**

- Reviews of beneficiaries' governance and public administration reform strategies/action plans
- Advice to beneficiaries' institutions concerned on strategy/action plan development in line with a projected reform process and outcomes of assessments.

When providing assistance under this heading, elements specific to each country will be carefully considered including work already carried out on strategies/action plans/roadmaps. Activities will complement previous actions (such as the Special Group on Public Administration Reform in the former Yugoslav Republic of Macedonia) and will be implemented in coordination with the beneficiaries and the EC.

**3. Assistance to relevant institutions in beneficiaries in improving horizontal governance and public administration reform design and implementation capacities**

- Development of methodologies and tools for reform design and implementation including change management, stakeholder engagement, project management, policy-making
- Advice on reform design and implementation to beneficiaries' institutions
- Trainings and workshops (including Train the Trainers to build capacity in-country).

The activities under this heading contribute to better design and implementation of policy and PAR by involving all relevant stakeholders (including business representatives, CSOs, the media and concerned citizens of the beneficiary countries) with the aim of building support for and ownership of the process at national level.

**4. Assistance to beneficiaries in improving governance and public administration performance**

- Advice on improving laws and administrative arrangements in governance institutions
- Design and advice in implementation of strategic reform plans
- Peer reviews and diagnosis
- Training workshops, seminars and conferences
- Multi-country policy papers.

This activity targets priority issues in beneficiaries in line with regular assessments and will be co-ordinated with other IPA programmes activities.

**5. Contribute to the coherent use of EC instruments in the enlargement process, in particular through IPA funding**

- Support to the policy dialogue with beneficiaries
- Assistance in Commission policy development and assessment methodologies (especially citizen-centred)
- Advice on using various EC financial instruments for PAR in IPA beneficiaries.

### 3.5 ASSESSMENT OF PROJECT IMPACT, CATALYTIC EFFECT AND CROSS BORDER IMPACT

The preliminary findings of an evaluation on SIGMA amongst beneficiary partners show that around 80% of respondents perceive SIGMA as having significantly more impact compared to other donors supporting similar activities in PAR due *inter alia* to its long-term participatory, neutral and bottom up approach that involves a dialogue in partnership as well as a dialogue with broader stakeholders such as civil society and businesses.

The findings also state that outcomes greatly differ according to the political and institutional context. The intention is to involve SIGMA more in the implementation of reforms, in raising awareness and in providing support to the Commission's intensified policy dialogues with the beneficiary. This approach should increase sustainable impact and consolidated outcomes in the sense that reforms are also implemented (implementation of adopted legislation) and changed practices or regulations are internalised through amended attitudes and behaviours<sup>5</sup>.

**Catalytic effect and cross-border impact:** based on preliminary findings of an evaluation of SIGMA by respondents of the beneficiary, about 40% of SIGMA support to date goes to multi-country events including the organisation of workshops, peer reviews, seminars (e.g. PIFC, public procurement).

Hands-on joint training will contribute to increasing interaction between relevant institutions and services in each Beneficiary and across the region. It provides opportunities for long-term collaboration rather than providing bilateral support.

The programme should also be seen as a regional catalytic tool for public sector reform and governance and for the identification of common problems and approaches, enhancing peer review, collaboration, assessment and exchange of good practices.

For instance, SIGMA's training module on public procurement executed by another international organisation to enhance training of trainers will in the future be managed by ReSPA to ensure sustainability. This practice could be further developed to strengthen ReSPA's strategic position and comparative advantage. Since the programme is also meant to facilitate behavioural and attitudinal changes as well as to involve stakeholders who can further stimulate or enhance the demand for reform in the areas of transparency, accountability and legality of public services, it will have a catalytic effect on other stakeholders benefiting from those reforms.

### 3.6 SUSTAINABILITY

Preliminary findings of an evaluation of SIGMA amongst beneficiaries provide evidence that its very specific approach characterised by long-term working relationships and a continuous partnership with key institutional stakeholders at different hierarchical levels is very well appreciated. In addition, it is stated that an intense dialogue and exposure to fellow peers and practitioners enables intensive learning experiences that have a lasting impact on stakeholders and lay the foundation for sustainable change.

Anecdotal evidence states that SIGMA input has proven essential in helping beneficiaries meet provisions for some chapters including the development of strategies and the establishment of an institutional set up. Overall, most respondents perceive SIGMA as having

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<sup>5</sup> Sustainable impact is when improved legislation is adopted, implemented, institutional improvements translated in improved performance and attitudes and behaviours internalised.

significantly or moderately more sustainability as compared to other donors in similar activities. Evidence shows that technical repercussions or materialisation of SIGMA are not automatically accepted at face value and the exchange of ideas and approaches often results in a compromise, ultimately ensuring ownership.

Sustainability ultimately depends on the determination of national authorities to implement the reforms, but SIGMA's close collaboration with the Commission in the area of policy dialogue and its close involvement both in the technical implementation and in the development of sequenced and prioritised reform processes should further improve sustainability. Maximising the potential effect of SIGMA outcomes would be helped by greater political leverage of SIGMA and the Commission.

### **3.7 ASSUMPTIONS AND PRE-CONDITIONS<sup>6</sup>**

There are three assumptions involving core actors: (i) the commitment of beneficiaries, (ii) the coherence of EC activities and (iii) refining how the SIGMA programme works.

#### ***Commitment of beneficiaries***

The overall challenge is to ensure that political and administrative elites within national administrations are committed to good governance and PAR and to stabilising and making professional their public administrations and civil service. The main strategies to achieve this are continuously to raise awareness of its importance, target broader range of stakeholders by the Project activities (Parliament, NGOs, media, business representatives etc.) and to support the EU in the context of accession.

A secondary challenge is to ensure that beneficiaries share the idea of the EC's more strategic approach and proposed SIGMA activities. In order to build up support, the EC and SIGMA programme should develop a coherent communication strategy. In addition, the SIGMA programme will improve its communication activities to explain why changes are needed and what will improve as a result. SIGMA will strengthen ownership by doing a proper stakeholders' analysis amongst the relevant institutions of the beneficiaries, maintaining regular contact through a country representative with the stakeholders concerned, define needs and demands in support of the beneficiaries and the Commission and by supporting the beneficiaries in the identification of priorities and determining the sequence of implementation of key objectives.

#### ***Coherence of EC activities***

In order to enhance the impact of the EC in general and SIGMA programme in particular, it should be ensured that the activities/instruments of the EC are coherent and that activities are fully coherent with Commission policy and other assistance. This will be accomplished through the accountability arrangements and close working relations with Delegations and HQ. The Project is implemented primarily through numerous small country activities. Each country activity of the Project will be subject to a separate assessment of how it fits within the overall agreed PAR programme for the particular country.

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<sup>6</sup> Assumptions are external factors that have the potential to influence (or even determine) the success of a project but lie outside the control of the implementation managers. Such factors are sometimes referred to as risks or assumptions but the Commission requires that all risks shall be expressed as assumptions. Pre-conditions are requirements that must be met before the sector support can start.

### ***Ways of working of SIGMA Programme***

To increase the impact of SIGMA activities and to support a more strategic approach, better planning and sequencing need to be ensured based on an agreement between the Commission, the beneficiaries and the Project on the priorities and a framework for activities with greater coherence between assessments and assistance activities. Preparatory work is provided by activities already undertaken by the Project over a number of years. SIGMA's considerable experience can contribute to the proposed new approach.

## **4 IMPLEMENTATION ISSUES**

The Project is implemented by the OECD, by a team being part of the Directorate for Public Governance and Territorial Development. An annual indicative Outline Programme is agreed at the beginning of the year, which fixes the parameters for assessments and general orientations. Each activity, suggested either by SIGMA, the EU delegations or at the request of the beneficiaries is subject to the Commission's approval before launch and is discussed with Delegations and HQ during the design phase.



#### 4.1 INDICATIVE BUDGET

##### Indicative Project budget (amounts in EUR)

			SOURCES OF FUNDING									
			TOTAL EXP.RE	IPA CONTRIBUTION		NATIONAL CONTRIBUTION					OECD CONTRIBUTION	
ACTIVITIES	IB	INV	EUR (a)=(b)+(c) +(d)	EUR (b)	%(2)	Total EUR (c)=(x)+(y) +(z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (d)	% (1)
Activity 1-5	X		10 204 000	10 000 000	98						204 000	2
Contribution Agreement												-
TOTAL IB			10 204 000	10 000 000	98						204 000	2
TOTAL INV												
<b>TOTAL PROJECT</b>			<b>10 204 000</b>	<b>10 000 000</b>	<b>98</b>						<b>204 000</b>	<b>2</b>

The total includes an estimated amount of EUR 150 000 in eligible VAT costs in line with the agreement reached between the EC and OECD under grant agreement 2010/253-091, of which this is an extension. (2) Expressed in % of the **Total** Expenditure (column (a))

## 4.2 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN BY QUARTER)

Contracts	Start of Tendering	Signature of contract	Project Completion
Contribution Agreement	N/A	Q1 2013	Q1 2016

## 4.3 CROSS CUTTING ISSUES

### 4.3.1 *Equal Opportunities and non discrimination*

Under the Commission's contribution agreement with OECD, the rules of the implementing organisation apply. OECD is an equal opportunity employer. To the extent that the Project addresses gender-related issues (e.g. civil service law) it will ensure that its advice is consistent with equal opportunities and non-discrimination principles.

### 4.3.2 *Environment and climate change*

NOT APPLICABLE.

### 4.3.3 *Minorities and vulnerable groups*

Under the Commission's contribution agreement with OECD, the rules of the implementing organisation apply. OECD is an equal opportunity employer, including in respect of minorities. To the extent that the Project addresses minority-related issues (e.g. civil service law) it will ensure that its advice is consistent with non-discrimination principles and with positive discrimination provisions where these are in force (e.g. the Ohrid Agreement). Minority and vulnerable groups' concerns will be reflected in all activities of the project, in particular when it concerns participation in training activities and institutional development.

### 4.3.4 *Civil Society/Stakeholders involvement*

The Project makes every effort to encourage national reform teams to consult widely, for example consulting with business associations on policy to simplify administrative procedures. Supporting enhancement of stakeholder involvement will be one of the Project activities. In order to increase country ownership and stimulate a need for governance and public administration reform, the Project will target non-governmental stakeholders such as NGOs, business representatives, the media and concerned citizens. Such efforts should be coordinated with initiatives such as the IPA Civil Society Facility, which aims to strengthen the capacity of civil society to monitor and engage in dialogue on key public sector reforms.

## **ANNEXES**

- 1. Log frame<sup>7</sup>**
- 2. Amounts (EUR) contracted and disbursed per quarter over the full duration of the project**
- 3. Description of Institutional Framework**
- 4. Reference list of relevant laws and regulations only where relevant**
- 5. Project visibility activities**

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<sup>7</sup> This logical framework and its verifiable indicators will be amended and fine-tuned based on the discussion between D3 and SIGMA. This discussion will start as soon as the final results of the evaluations of SIGMA (both of the beneficiary and Commission) will have been delivered. An agreed approach for monitoring progress, risks and outcome of SIGMA-related objectives needs to be worked out to formalise performance-oriented working with SIGMA. Measurement of progress and outcome of PAR programmes for geographical units will be done in close collaboration with the World Bank project on improved M&E of governance indicators in the context of IPA II implementation.

## ANNEX 1: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche		Project title and number		Support for Improvement in Governance and Management (SIGMA) in the Western Balkans and Turkey
		Contracting period expires: 30/11/2014		Execution period expires: 30/11/2017
		Total budget	10 204 000 euro	
		IPA budget:	10 000 000 euro	
Overall objective	Objectively verifiable indicators (OVI)	Sources of Verification		
<p>The overall objective of the Project is to facilitate more sustainable governance and public administration reforms and strengthen public administrations in the region so that they correspond to European values of democracy, human rights and the Rule of Law, strengthen integrity, predictability, accountability, legality and transparency and provide quality policy outcomes supporting socio-economic development.</p> <p>The Project will achieve improved performance by beneficiaries bearing mind how reforms can be taken forward and implemented.</p>	<p>Indicators demonstrating improvement in European values of democracy and Rule of Law, change of public service values and public administration support to socio-economic development.</p> <ul style="list-style-type: none"> <li>- No of corruption incidence</li> <li>- The proportion of the grey economy in GDP</li> <li>- Business environment (hard data and business surveys)</li> <li>- Public servants attitudes and deontological understanding</li> <li>- % citizens expressing trust in the public administration at central level</li> <li>- Reports ombudsman reporting positive results re improved performance at level of integrity, predictability, accountability</li> <li>- SIGMA assessment reporting progress in this respect</li> <li>- Trends in proportion of grey economy</li> <li>- Progress vis-à-vis perceptions of businesses on role of public administration regulation supporting economic development</li> </ul>	<p>Studies and indexes of World Bank and other international organisations (Greco)</p> <p>Reports and surveys by NGOs</p> <p>Reports by national accountability institutions (Courts, ombudsmen etc)</p> <p>Economic analysis</p> <p>SIGMA assessments</p> <p>Commission reports</p> <p>Balkan Gallup perception surveys</p> <p>Doing Business in SE Europe World Bank</p>		
Specific objective	Objectively verifiable indicators (OVI)	Sources of Verification		Assumptions and challenges
<p>To assess governance and public administration performance of beneficiaries and develop monitoring and assessment frameworks to review progress against an agreed national strategy and to envisage long-term reform trajectory.</p>	<ul style="list-style-type: none"> <li>- Trend in assessments</li> <li>- Monitoring framework developed, shared and used by EC and SIGMA</li> </ul>	<p>Assessment framework developed, used by EC and beneficiaries in political dialogue, evaluating progress and setting future reform priorities.</p> <p>SIGMA assessments on public administration systems of beneficiaries.</p>		<p>To ensure ownership, buy-in and commitment of beneficiaries for constant improvement of public administration to make progress towards European values and principles</p> <p>Continued strong commitment by the OECD, EC and EU member states to the Project in particular and need for public administration reform in beneficiaries in general.</p>

<p>To support beneficiaries and European Commission to formulate or adjust existing strategies and action plans addressing priorities, sequencing, timetables and budgeting links with the aim to have in place realistic and well-targeted governance and public administration reform plans.</p>	<ul style="list-style-type: none"> <li>- Number of PAR strategies/actions plans clearly sequenced, concentrating to priorities and realistic concerning timing, HR and financial resources</li> <li>- Number of Strategy Budgets that are fiscally sustainable and developed multi-annually</li> </ul>	<p>Commission/SIGMA files and Commission quality assessment.</p> <p>PAR strategies in place or adjusted.</p>	<p>To ensure sufficient skills of beneficiaries administration (absorptive capacity both in terms of numbers of staff and competencies and skills) to receive advice given by SIGMA and transform policy analysis and proposals for policy design into nationally owned reform process meeting implementing capacity of the beneficiary.</p> <p>There is demand for assistance from beneficiaries. Applying new approach must be properly explained to all beneficiary stakeholders to demonstrate the benefits of greater national ownership and higher flexibility against tighter assessment and linkage with political dialogue.</p>
<p>To develop horizontal methodologies and tools to assist public administration reforms including change management, stakeholders involvement, guidelines, manuals and provide conditions for increased planning and implementation capacity in the administration.</p>	<ul style="list-style-type: none"> <li>- Number of stakeholders involvement/ change agents/ CSOs in consultation processes</li> <li>- Methodologies and tools developed</li> <li>- Number of policy processes where new methodologies and tools are used</li> <li>- Track record of processes of planning and implementation</li> <li>- Track record of policies designed in a way that they can be implemented</li> <li>- Track record of skills improvement (financial planning and management, change management,...)</li> </ul>	<p>Regular SIGMA assessments.</p> <p>Commission assessments.</p>	<p>To ensure high coherence between assessment results, technical assistance given the Project and other EC instruments.</p> <p>To continuously raise awareness of importance of PAR and to develop constituencies in favour of reform.</p> <p>To involve a broader set of relevant stakeholders that can support and encourage/ add pressure for reform to take effect and be reinforced.</p>
<p>To technically assist and improve beneficiaries performance in key horizontal governance and public administration reform fields including Rule of Law, civil service and administrative law, rationalisation of public sector organisation, integrity, public financial management, public procurement, policy making and coordination.</p>	<ul style="list-style-type: none"> <li>(a) Number of consolidated administrative legal frameworks</li> <li>(b) % of recruitments/promotions based on merit</li> <li>(c) Number of legislation that is better supported by policy options,</li> <li>(d) Legislative processes with proper policy dialogue</li> <li>(e) No of supplementary budgets reduced</li> <li>(f) No of administrative structures of institutions right-sized/ functional reviews</li> </ul>	<p>(a) Reports of courts and accountability bodies, assessment of laws, reports and statistics on implementation (e.g. case analysis on administrative procedures and justice)</p> <p>(b) Civil service management body reports, legal and procedural analysis</p> <p>(c) surveys, NGO assessments, Commission assessments</p> <p>(d) assessment of budgetary procedures and annual budgetary process, assessments of public procurement processes, cases of fraud</p> <p>(e) assessments on administrative burden, assessments on rationalisation</p>	

Results	Objectively verifiable indicators (OVI)	Sources of Verification	Assumptions
Assessment of beneficiaries' performance regularly delivered, monitoring and assessment framework enhanced to enable better comparative evaluation of progress (not only reform activity) and highlight reform priorities and trajectory.	<ul style="list-style-type: none"> <li>- Assessments timely delivered</li> <li>- Monitoring framework for all country units shared, discussed and used by BC</li> </ul>	Regular progress reports for Steering committee, assessment reports and mid-year reviews of SIGMA programmes	<p>The Commission communicates the need for a new approach and the different building blocks of the approach.</p> <p>The Commission and beneficiaries engages in dialogue and mutual learning.</p> <p>The EC to communicate with the other donors the new approach and get the support to set the stage for improved and more harmonised approach on PAR</p> <p>The staff turnover in the Beneficiary Administrations remains low or it does not affect to the main core of their operations.</p> <p>Beneficiaries support the performance assessment and monitoring process.</p>
Clear governance and public administration reform strategies and/or action plans implemented by beneficiaries that are realistic in terms of timeframe, are sustainable, contextualised and have a multi-annual budget that is fiscally sustainable over time.	<ul style="list-style-type: none"> <li>- Number of PAR strategies and/or action plans that are prioritised and sequenced and have a realistic budget</li> </ul>	Regular progress reports for Steering committee, assessment reports and mid-year reviews of SIGMA programmes	
Horizontal methodologies and tools for improved reform design and implementation capacity developed and applied.	<ul style="list-style-type: none"> <li>- Number of concrete advise to BC</li> <li>- Number of horizontal methodologies and tools</li> </ul>	<p>SIGMA/Commission assessments</p> <p>Training results/ output/ performance evaluations</p>	
<p>Assistance in key governance and public administration reform building blocks implemented leading to improved performance, in particular on consolidation of Rule of Law:</p> <ul style="list-style-type: none"> <li>- Coherent appropriate general administrative legal framework in place and properly implemented;</li> <li>- More professional civil service;</li> <li>- Improved policy capacities;</li> <li>- Improved Public Financial Management and procurement;</li> <li>- Rationalised supervision and enforcement structures.</li> </ul>	<ul style="list-style-type: none"> <li>- Number of concrete advise to BC</li> <li>- Number of pds finalised with results achieved</li> <li>- Strengthened institutional framework for implementation of SWAP/</li> <li>- Number of policy papers or peer reviews</li> <li>- Number of legal framework delivered or comments provided</li> <li>- Merit-based CS</li> </ul>	<p>SIGMA/Commission assessments</p> <p>Training results/ output/ performance evaluations</p>	

Better use of EC resources and more effective contribution of regional instruments to country programmes in supporting public administration strengthening.	<ul style="list-style-type: none"> <li>- Timely analysis provided and proposals made on use of proper EC instrument to be used</li> <li>- No interventions based on clear needs analysis</li> <li>- No of Opinions and proposals provided on sectoral project fiche's</li> </ul>	<p>Commission assessment</p> <p>IPA results frameworks</p>	
<b>Activities to achieve results</b>	<b>Means / contracts</b>	<b>Costs</b>	<b>Assumptions</b>
Delivery of assessments and development of assessment framework	<ul style="list-style-type: none"> <li>- Enhancement of monitoring and assessment framework including development of new methodologies and tools</li> <li>- Regular progress and performance assessments of beneficiaries</li> <li>- Analysis and assessment of legal frameworks, methodologies, systems and institutions depending on Commission's request</li> </ul>	<p>10 204 000 EUR</p> <p>Professional and support staff personnel costs. Administration and Financial management.</p>	<p>Improved donor co-ordination.</p> <p>Coherence of EC instruments.</p> <p>To ensure that project activities take into account absorptive capacities of stakeholders.</p> <p>To ensure a coherent link between political process in the area of accession, policy dialogue and funding.</p>
Assistance in developing and/or fine-tuning governance and public administration reform strategies and action plans	<ul style="list-style-type: none"> <li>- Reviews of beneficiaries governance and public administration reform strategies/action plans</li> <li>- Advice on strategy/action plan development in line with projected reform trajectory and assessments outcomes</li> </ul>		<p>It must be ensured that priorities are derived from assessments and technical assistance projects target highest priorities of beneficiaries in PAR.</p>
Assistance in improving horizontal governance and public administration reform design and implementation capacities	<ul style="list-style-type: none"> <li>- Development of methodologies and tools for reform design and implementation including change management, stakeholders involvement, project management, policy making</li> <li>- Advice on reform design and implementation</li> <li>- Trainings, work-shops</li> </ul>		
Assistance in improving governance and public administration performance	<ul style="list-style-type: none"> <li>- Advice on improving laws and administrative arrangements in governance institutions</li> <li>- Design and advice in implementation of strategic reform plans</li> <li>- Peer reviews and diagnosis</li> <li>- Trainings, work-shops, conferences</li> <li>- Multi-country policy papers</li> </ul>		

Contribute to coherence of EC instruments in the enlargement process, in particular IPA funding	<ul style="list-style-type: none"> <li>- support to the policy dialogue with beneficiaries</li> <li>- assist in Commission policy development and assessment methodologies (especially citizen-centred)</li> <li>- advice on using various EC financial instruments for PAR in IPA countries</li> </ul> Employment and contracting under OECD rules.		
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**ANNEX 2: Amounts (in EUR) contracted and disbursed per quarter over the full duration of project**

<b>Contracted</b>	Q1 2013	Q2 2013	Q3 2013										
Contract 1	10.000.000												
<b>Cumulated</b>	<b>10.000.000</b>												
<b>Disbursed</b>	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
Contract 1	4.750.000							4.750.000					500.000
<b>Cumulated</b>	<b>4.750.000</b>							<b>9.500.000</b>					<b>10.000.000</b>



## **ANNEX 3: Description of Institutional Framework**

### Steering Committee

Given the important role of SIGMA in the broader policy context and programming of public sector and governance reform activities, a Steering Committee should operate as a strategic platform to regularly take stock and discuss progress (based on monitoring results), review whether the SIGMA approach is consistent with the overall approach and ensure that gaps are properly addressed through intensified policy dialogue and proper programming<sup>8</sup>. The composition of the Steering Committee will be subject to further discussion<sup>9</sup>.

### Co-ordination with other bodies and with EC services

In comparison to the previous contract (2011-12), in addition to co-ordination of its activities through Unit D3 in DG ELARG, the Project will work more closely with Country Desks at Headquarters, in addition to maintaining close relations with Delegations and line DGs. The content of discussions with Country Desks will concern mainly assessment and monitoring outcomes, the reform trajectory derived from that and possible next steps, as well as countries' overall PAR reform strategies. Proper co-ordination mechanisms will be developed with the aim of improved coordination and communication, clarification of agenda setting and debriefings between all parties including SIGMA, EU HQ, EUD and national authorities.

Mandate and priorities of new bodies created for political dialogue, such as the Special Group on Public Administration Reform in the Former Yugoslav Republic of Macedonia, will be taken into account when planning and implementing country activities.

### Involvement of beneficiaries' public administration bodies

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

- General Secretariats of Government/ Deputy Prime Minister's or Prime Minister's Offices
- Ministries of Finance, European Integration, Interior, Justice
- Procurement institutions
- Civil Service Management Agencies
- Public Administration Bodies
- Regulatory Management Authorities;
- Supreme Audit Institutions
- Parliamentary Secretariats

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<sup>8</sup> Improving the linkage and coherence with national IPA programmes, which are either service contracts, Twinning or TAIEX contracts.

<sup>9</sup> One person per geographical unit should be part of the Steering Committee as well as the line DGs.

#### **ANNEX 4: Reference list of relevant laws and regulations only where relevant**

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

##### *Policy making and regulation*

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

##### *Public employment*

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

##### *Administrative framework law*

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

##### *Anti Corruption*

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

##### *Financial management*

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

##### *Public procurement*

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

#### **ANNEX 5: Project visibility activities**

As in previous arrangements, the Project operates under the mutually agreed “Communications and Visibility provisions” contained in Annex I of each contribution agreement.