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Project fiche 1.1 Public Administration Reform

1. Basic information

1.1 CRIS Number: 2007/19297

1.2 Title: Support to the implementation of the Public Administration Reform

1.3 ELARG Statistical code: Axe 01 - 36

1.4 Location: Skopje, the former Yugoslav Republic of Macedonia

Implementing arrangements:

1.5 Contracting Authority (EC)

European Commission, EC Delegation, on behalf of the beneficiary

1.6 Implementing Agency

European Commission, EC Delegation, on behalf of the beneficiary

1.7 Beneficiary (including details of project manager):

The Beneficiaries are the General Secretariat of the Government and the Civil Servants Agency.

Imer Aliu, Deputy Prime Minister

Imer.aliu@gs.gov.mk

Daniela Trajanovska, General Secretary of the Government

Daniela.Trajanovska@gs.gov.mk

Aleksandar Gestakovski, Director of Civil Servant Agency

f.rushiti@ads.gov.mk

Contact points:

Liljana Kostic, State Counsellor (Strategic Planning)

Ljiljana.Kostic@gs.gov.mk

Suzana Nikodijevic, Head of Sector for Policy Analyses and Coordination

Suzana.Nikodijevic@gs.gov.mk

Agim Mahmuti, chief of Cabinet of Deputy Prime Minister Imer Aliu

agim.meahmuti@gs.gov.mk

Metodija Dimovski, General Secretary of the Civil Servant Agency

m.dimovski@ads.gov.mk

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1.8 Overall costs (VAT excluded)¹: EUR 2 million.

1.9 EU contribution: EUR 2 million.

1.10 Final date for contracting

Two years from the date of the conclusion of the Financing Agreement

1.11 Final date for execution of contracts:

Two years from the final date for contracting.

1.12 Final date for disbursements

One year from the final date for execution of contracts.

2. Overall Objective and Project Purpose

2.1 Overall Objective

The overall objective of the project is to provide advisory support to the Public Administration in order to ensure a consolidated support to key elements of the overall Public Administration Reform process.

The key elements that will be supported are:

- 1) Capacity building of the General Secretariat – Sector for Policy Analysis and Coordination (Unit for PAR) - to strengthen the further development and coordination of implementation of the Public Administration Reform Strategy;
- 2) Capacity building of the General Secretariat – Sector for Strategy, Planning and Monitoring and Sector for Policy Analysis and Coordination - to strengthen the capacity of the Government for strategic planning and policy making, monitoring and coordination;
- 3) Capacity building of the General Secretariat – Sector for the Implementation of the Ohrid Framework Agreement – with specific reference to the Implementation of the Strategy for adequate and equitable representation of the members of the non majority communities (Strategy for Equitable Representation);
- 4) Capacity building of the General Secretariat – Sector for Policy Analysis and Coordination (Unit for NGO Cooperation) – to strengthen the implementation of the Strategy for Cooperation with the Civil Society Sector;
- 5) Capacity building of the Civil Servants Agency with specific reference to strengthen the capacities in Human Resources Management, including training management, coordination and ensuring capacity for generic training of the civil servants.

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

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2.2 Project purpose

The project purpose is to contribute to a professional public administration that will enable appropriate implementation of the rule of law in compliance with national legislation, provide high level services to the citizens in a transparent manner, taking due account of EU regulations and best practices and in which the public will have trust.

2.3 Link with AP/NPAA / EP/ SAA

The program will address the following EP priorities: “Implement fully the Law on Civil Servants. Depoliticise the recruitment and career advancement of civil servants and other public agents and introduce a merit-based career system”; “Improve administrative transparency”; “further implement the strategy on equitable representation of minorities in the public administration and public enterprises”; “Further promote the active participation of civil society, including the social partners, in decision making processes” and ”Adopt Strategy for Cooperation with the Civil Society Sector”.

The program addresses the objectives of the SAA for “the development of civic society and democratisation, institution building and public administration reform”.

The latest progress report indicates that “There is a need for additional efforts to ensure that equitable representation policies and mechanisms fully reflect the ethnic diversity of the population”. The government adopted a strategy for co-operation with civil society in January 2007 and the report remarks that “... the strengthening of civil society requires further coordination between non governmental organisations (NGO) and the public authorities”. “Ministries need to be more realistic in their planning and increase their capacity for strategy and policy development, given the lack of appropriate administrative structures for implementation”.

The National Plan for the Adoption of Acquis encompasses the following with regard to the public administration reform: “The increase of the rate of representation of the members of communities has been set as one of the key priorities in the process of public administration reforms”; “Strengthening and consistent application of the established principles and standards in the sphere of selection, recruitment, accountability and assessment of civil servants”; “A functional human resource management system, which is based on a legal framework, organisational structure, and operational procedures that cover all aspects of human resources governance and management...[is required]”.

2.4 Link with MIPD

Multi-Annual Indicative Planning Document indicates the following: “In order further to improve the country’s alignment with the political criteria, and taking into account commitments made under the SAA, EU assistance will continue to help to advance **public administration reform** by supporting the implementation of a comprehensive Public Administration Reform strategy, which will streamline administrative procedures and improve the capacity of the public administration”; “It remains important to improve equitable representation in the public administration in line with the constitutional and legal provisions deriving from the Ohrid Framework Agreement”; “Targeted support to improving the capacities of public administrations is needed”; “Assistance will be provided to consolidate the sectoral reforms (i.e. public administration reform etc.) that have been adopted and to ensure their effective enforcement”; “Steps remain to improve the efficiency and

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accountability of the police and the public administration as a whole”; “IPA can intervene to enhance the active participation of the civil society, including NGOs and social partners, in the decision-making process”.

2.5 Link with National Development Plan

The National Development Plan makes the following assessment on public administration: “Low level of administrative capacity to effectively design and implement policies; Lack of qualified, motivated and committed public administration; Status and responsibilities of the employees in public administration and public services are not adequately legally regulated”. Among the six main objectives of the NDP is also the reform of the public administration: “To strengthen the capacity of human resources in the public administration” and “To undertake measures for capacity strengthening of human resources in the public administration”.

2.6 Link with national/ sectoral plans (where applicable)

The project directly links to the two key strategies and action plans in the sector (see for a more extensive list annex 3):

- Implementation Plan for the Framework Agreement, 2003;
- Action Plan for the Implementation of the Ohrid Framework Agreement, 2007;
- Strategy for Equitable Representation, 2007;
- Strategy of Reforms of Public Administration, 1999;
- Information on the Human Resources in the Public Administration - status, management, development and challenges, 2005;
- Action Plan for Implementation of Conclusions and Recommendations contained in the Information on the Human Resources, 2006;
- National System of Coordination of Training of Civil Servants, 2005;
- Strategy for cooperation with the Civil Society Sector, 2007

3. Description of project

3.1 Background and justification:

Public Administration Reform (PAR) is one of the strategic priorities of the Government, the overall purpose being the development of a professional, competent, efficient, accountable, and ethical civil service offering transparent high quality services to citizens and businesses.

The key objectives of the reform include: further development of the established strategic planning process in ministries and strengthening of the link with the budgeting process; ensuring equitable representation of minorities in the public administration (including the judiciary) and public enterprises; further human resources development, including, strengthening capacities for training management and further implementation of the National System for Training Coordination; and engaging in a fruitful cooperation with the Civil Society. Appropriate attention will be given to the cross-cutting issues as gender, minorities, environment and the fight against corruption in the public administration reform process.

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Through all CARDS programmes, support has been provided to elements of the Public Administration Reform process, including decentralisation, strategy development in specific areas (cooperation with civil society, equitable representation, integrated border management, police reform and others). Where in most cases the individual projects were successful in achieving their immediate objectives, the absence of an 'overarching' process support was felt in cases where generic government issues like human resource management, linkages between the operational strategies developed within different ministries, linkages between strategic priorities and budget allocations, transparency or the approach to the civil society and equitable representation were concerned. Although general policies and strategies are mostly in place, the capacity of the government to implement those policies and strategies requires further support. It is therefore, that through the present project five different but strongly interlinked areas will be supported:

1) Public Administration Reform Strategy

The present Strategy for Public Administration Reform was adopted in May 1999. The objectives formulated in the Strategy are compatible with the goals of the European Integration process. With the adoption of the Ohrid Framework Agreement and the constitutional amendments, additional priorities emerged with respect to the equitable representation of the members of the communities and the decentralisation process.

A new mechanism for coordination of public administration reform was introduced in 2005, replacing the institutional structure for the management and implementation of public administration reform that was established in 1998. In line with the Strategic Plan for the development of the General Secretariat, the PAR Unit was established within the General Secretariat and in January 2006 the Government adopted the Action Plan for implementation of the policy for Human Resources in the Public Administration.

Now where an appropriate coordination mechanism for Public Administration Reform is in place, it is time to update the PAR strategy that was adopted in 1999. The present project will support the General Secretariat – Sector for Policy Analysis and Coordination (Unit for PAR) - in this process.

2) Strategic Planning, Policy Analysis and Coordination

In order to strengthen the institutional capacity of the state particularly in strategic planning and policy making, the Government adopted a Methodology for Strategic Planning in 2003. In May 2005, the Government adopted Instructions for the manner, content and form of preparation of the strategic plans of the ministries and other state administrative bodies. In March 2007 the General Secretariat prepared a Handbook on Strategic Planning.

In line with the Amendments of the Law on the Budget, in 2005 all the ministries (except Ministry of Internal Affairs) prepared their strategic plans (a basic plan for development, setting out the programmes and activities for a three-year period), which are published on their web sites.

The General Secretariat is charged to analyse the consistency between the plans and the Strategic Priorities of the Government each year, while the Ministry of Finance is to check whether these plans are consistent with the fiscal strategy of the Government, to estimate the level of financial resources that are allocated to the priority programmes of the Government and to use these programmes in the preparation of the State Budget.

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The Amendments of the Rules of Procedure of the Government of 2006 has strengthened the capacity of the General Secretariat in policy analysis and coordination process. The Government, in April 2006, adopted the Methodology for Policy Analysis and Coordination describing the phases of the policy cycle and defining the coordination role of the General Secretariat in the policy making process. In January 2007 the General Secretariat published the Handbook for Policy Development.

Through the reform of the General Secretariat of the Government, capacities for coordination and monitoring of the strategic planning process and capacities for policy analysis and coordination in the General Secretariat have been strengthened. However, this needs to be further developed both in the General Secretariat and in the Ministries responsible for coordinating the strategic planning and the policy development process as well as for developing and presenting policy proposals to the Government.

The present project will support the General Secretariat – Sector for Strategy, Planning and Monitoring and Sector for Policy Analysis and Coordination - to appropriately implement its tasks in screening, coordinating and assessing the various (sectoral) strategies, as well as enable an appropriate monitoring of the implementation. Particularly important here is the capacity to analyze the so-called cross-cutting issues throughout a variety of policy documents.

3) Implementation of the Ohrid Framework Agreement – Strategy for Equitable Representation

The Ohrid Framework Agreement (OFA) was concluded in August 2001 and effectively ended the conflict in the country. Part of the OFA is the representation of the different ethnic communities in the public administration. The Agreement stipulates that a more equitable representation is to be established. In the last few years, significant progress has been made and the representation of the different ethnic groups has improved. However, more progress is required and the Government adopted the ‘Strategy for Equitable Representation of Ethnic Groups’ in 2007 to guide the overall process.

The present project will support the General Secretariat - Sector for the Implementation of the Ohrid Framework Agreement - with the overall implementation of the Strategy for Equitable Representation.

4) Cooperation with NGOs/Civil Society

In 2005 the NGO Cooperation Unit was established within the Sector for Policy Analysis and Coordination. In January 2007 the Government adopted the Strategy for cooperation of the Government with the Civil Society Sector.

The Strategy for Cooperation with the Civil Society Sector provides a framework enabling the state administration to strengthen its cooperation with citizen associations and foundations and to develop a mutual partnership. The strategy promotes dialogue and stimulates a stronger engagement of the citizens, who via their associations and foundations can voice their interests and needs and influence policy development and institutional decision making.

The stronger cooperation between the Government and the civil society is expected to improve quality of policies and to strengthen the legitimacy of government policies. The Strategy is expected to contribute to increasing transparency in the administration and

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simultaneously enable corrective and constructive input by citizens into the public administration.

The strategy foresees that two years after its adoption (in 2009) it shall be reviewed and adapted to the present needs. This cooperation will be directed toward strengthening the role of the NGOs in the policy making process, as well as toward strengthening confidence in the civil society sector.

The present project will support the General Secretariat – NGO Cooperation Unit within the Sector for Policy Analysis and Coordination - with the implementation of the Strategy.

5) Human Resource Development

The expertise and quality of civil servants are key factors for achieving progress in implementing the strategic objectives of the Government, as well as for the successful implementation of the public administration reform. Therefore, there is a need for functioning Human Resource management system based on a legislative framework, organisational structure and operational procedures encompassing all aspects of human resource management and development.

The Law on Civil Servants offers a solid ground for development of an expert, professional and efficient civil service. While progress has been made to create the appropriate regulatory environment, the implementation of the Law and Human Resource management need to be further strengthened both within the individual ministries and other state administration bodies, and the Civil Servant Agency, which needs strengthening to implement its regulatory and coordinative functions in cooperation with the other state administration bodies.

The Civil Servants Agency (CSA) is responsible for the overall implementation of the law on civil servants and coordinates the implementation of civil servants training. Although the CSA is working with the various ministries and administrative bodies to implement the law on civil servants, in many cases the systematizations of the government institutions would need further refinement, specifically with the human resource units, which in many cases have positions that are not filled or filled with persons that do not have the appropriate competencies to fulfill the requirements.

The present project, therefore, will support the CSA to further strengthen their cooperation with the various ministries and administrative bodies, including the establishment of the human resources unit network and, secondly, strengthen the coordination function of the CSA in training the civil servants. Particular attention will be paid to the relevance of gender in both the Human Resource Management strategy and the training activities.

As described above, the project will support following institutions: the Civil Servants Agency and three sectors (the Sector for Policy Analysis and Coordination, the Sector for Strategy, Planning and Monitoring, the Sector for the Implementation of the Ohrid Framework Agreement) within the General Secretariat. Please see Annex V for a short description of each of these entities.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)

It is expected that the project will contribute to a more homogenous and vigilant implementation of the Public Administration Reform strategy. The update of the PAR

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strategy will help the government to further prioritise the actions to be undertaken and adapt to prevailing circumstances. The project will contribute equally to the implementation of a key element of the Ohrid Framework Agreement – the equitable representation.

It is expected that the efforts to improve transparency and co-operation with the civil society will have a positive impact on the trust the citizens have in their administration.

As regards catalytic effects, by providing a support to the overall reform processes it is expected that the coordination between the different actors and harmonisation of the different initiatives will lead to improved results. Furthermore, the support to the CSA is expected to lead to improvements in Human Resource Management by having the right person in the right position as well as improvements in the training of staff, leading to better qualified staff and hence, improved efficiency and effectiveness of the administration. Thus, in general, an improved administrative performance will not only improve direct service delivery to the citizens and enterprises, it will also reduce corruption, boost confidence in the Government and have a positive influence on investment in the country.

As regards additionality, the support to the General Secretariat provides for a 'strategic guidance' to the project activities in similar fields on the level of the individual ministries. By strengthening government wide systems, the activities of ministry level projects are likely to be strengthened as well. No other main projects - supported by other agencies - are presently foreseen to be operational in this sector during 2009. Cooperation with the UK supported project will be ensured.

3.3 Results and measurable indicators

The project will consist of five main components:

- 1) Capacity building of the General Secretariat – Sector for Policy Analysis and Coordination (Unit for PAR) - to strengthen the further development and coordination of the implementation of the Public Administration Reform Strategy;
- 2) Capacity building of the General Secretariat – Sector for Strategy, Planning and Monitoring and Sector for Policy Analysis and Coordination- to strengthen the capacity of the Government for strategic planning and policy making, monitoring and coordination ;
- 3) Capacity building of the General Secretariat – Sector for the Implementation of the Ohrid Framework Agreement - in charge of the Implementation of the Ohrid Framework Agreement, with specific reference to the implementation of the equitable representation strategy;
- 4) Capacity building of the General Secretariat – Sector for Policy Analysis and Coordination (Unit for NGO Cooperation) – to strengthen the Implementation of the Strategy for cooperation with the Civil Society Sector;
- 5) Capacity building of the Civil Servants Agency with specific reference to the implementation of the Human Resources Development actions.

Component 1. Strengthen the further development and implementation of the Public Administration Reform Strategy

Continuous adjustment and development of the administrative system due to fast changes in modern society and the EU integration process reflect the continuity of the reform process.

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The intense processes of EU integration, implementation of the Ohrid Framework Agreement and decentralization, as well as the new institutional structure for management and coordination of the PAR adopted in 2005 demand review and upgrading of the PAR Strategy.

Expected results:

The expected results include:

- an updated Public Administration Reform strategy shall be developed
- staff has to be trained (inclusive study visits) on the methodology to develop a PAR strategy and in key elements of such a strategy
- upgraded monitoring capacity for the implementation of the new PAR strategy

The Measurable indicators.

The Measurable indicators include:

- a new strategy is adopted by 2009
- the number of staff participating in the training and study visits (to be further detailed in the terms of references)

Component 2. Capacity building of the General Secretariat (and the line ministries) for strategic planning and policy making, monitoring and coordination

A crucial part of the strategic planning and policy co-ordination is the identification of the administrative needs for EU integration. The linkages between the different strategic planning efforts (e.g. NPAA and individual sectoral strategies) need close screening and monitoring. The standards developed for policy design need to be followed and ministries need to be informed about possible improvements to be made.

Expected results

The expected results include:

- Developed organizational structures required to oversee and implement the coordination and screening function to ensure well planned, budgeted and co-ordinated policies relevant to the EU requirements;
- Staff in ministries and other administrative bodies trained in skills required in the strategic planning and policy development processes;
- Trained (including through study visits) civil servants in the General Secretariat to act as a quality check point on policies and proposals submitted to Government.

Measurable indicators

The measurable indicators include:

- Organisational structures have been established to oversee and implement the coordination and screening function by 2009
- The number of trainings in strategic and policy planning for senior managers in the central coordination bodies and in ministries (to be further detailed in the terms of references)

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- The number of staff participating in training and study visits (to be further detailed in the terms of references)

Component 3: Sector for the Implementation of the Ohrid Framework Agreement – Equitable Representation

The Sector for the Implementation of the Ohrid Framework Agreement will be supported to implement the Strategy for Equitable Representation. It is expected that the strategy implementation will lead to an appropriate representation of the different ethnic groups in the administrative structure.

Expected results

The expected results include:

- Implementation of the Strategy for Equitable Representation, including an annually updated plan of action;
- Increased capacity of the Sector staff for strategic planning and subsequent implementation of activities, inclusive study visits and regional networking activities;
- Established coordination mechanism with other Government sections and non-state actors relevant for the implementation of the Strategy for Equitable Representation.

Measurable indicators

The measurable indicators include:

- Representation of different ethnic groups in the administration (in terms of numbers classified by occupational categories) has improved by 2010 compared to the situation in 2007.
- The number of trainings organised and number of staff participating in training (to be further detailed in the terms of references);
- A plan for establishing a coordination mechanism between Government sections and non-state actors relevant for the implementation of the Strategy for Equitable Representation is finalised by the end of 2008 and the mechanism is operational by 2009.

Component 4: Sector for Policy Analysis and Coordination (Unit for NGO cooperation) – Civil Society

The implementation of the Strategy for Cooperation with the Civil Society sector is expected to provide a major boost in the relations between the civil society and the government. Stimulating NGOs to participate in public debate and have a direct influence during the policy design, is expected not only to improve the quality of government proposals, it is also expected to impact positively the sense of belonging to the country and trust in the government. Aiming at rather high levels of transparency, the citizens will have the opportunity to remain well informed about government actions.

Expected results

The expected results include:

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- Review of the implementation of the Strategy;
- Increased capacity of the Unit staff, inclusive study visits, to implement activities according to the Action plan and activities related to the new Law on Citizens Associations and Foundations;
- Established coordination mechanism with other Government sections relevant for the implementation of the civil society strategy and to further strengthen the regional networking aspects;
- Established communication mechanism with non-state actors relevant for the implementation of the civil society strategy and concerning the review of the Strategy in 2009.

Measurable indicators

The measurable indicators include:

- A review of the Strategy has been adopted by 2009
- The number of trainings organised and number of staff participating in training and study visits (to be further detailed in the terms of references)
- A coordination mechanism with other Government sections is in place and operational by 2009
- A plan to establish a communication mechanism with non-state actors concerning the review of the Strategy is in place by the end of 2008

Component 5: Civil Servants Agency – HR Development

The Civil Servant Agency (CSA) will be supported to strengthen its capacity to coordinate with the various ministries and administrative bodies to implement the Law on Civil Servants as well as improving the capacity to coordinate the training efforts provided to civil servants.

Expected results

The expected results include:

- Capacity building of the CSA for Human Resources Development, including the strengthening of internal capacities for training management and to strategically plan and subsequent implement activities;
- Established training coordination mechanism with other Government sections relevant for the implementation of the Human Resource Management actions;
- Capacity building to strengthen the implementation of the National System for Training Coordination.

Measurable indicators

The measurable indicators include:

- The number of training organised and number of staff participating in training (to be further detailed in the terms of references)
- Training coordination mechanism is operational by 2010

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3.4 Activities

Although different sectors within the General Secretariat as well as the Civil Servants Agency will be supported, the specific activities foreseen follow the same format albeit the outcome will of course depend on the state of affairs in each beneficiary institution and the subject matter.

The specific activities foreseen are:

- 1) Assessment of existing strategies and approaches, comparing them to the needs;
- 2) Identification of priority areas for attention;
- 3) Capacity assessment of the relevant sectors within the General Secretariat and the Civil Servants Agency;
- 4) Developing an action plan for each of the improvement measures, prioritisation of these measures, including responsibility distribution, and with due inclusion of the cross-cutting issues (see below);
- 5) Implementation of the capacity building activities. These will include on-the-job training, seminars, workshops, study visits, joint action plan development, class-room type of training activities, etc.;
- 6) Establishment of a monitoring system allowing for appropriate assessment of progress being made. This is to be embedded within the Government structure.

Project Management and Administration

Technical assistance will predominantly be provided to the relevant sectors within the General Secretariat and the Civil Servants Agency. However, other state and non-state institutions may be included as required.

The contracts to support the General Secretariat will contain next to a Team Leader being responsible for the overall activity implementation, additional expertise- inter alia - to build capacities in the areas of public administration reform, strategic planning and policy analysis, equitable representation, cooperation with the civil society sector, and to address the cross-cutting issues.

The contract to support the Civil Servant Agency will contain next to a Team Leader being responsible for the overall activity implementation, additional expertise to build capacities in the area of Human Resource Management in public bodies and to address the cross cutting issues.

In each contract, a flexible pool of short and mid term expertise will be made available in order to assist in detailed tasks. Some of these short term experts will address the cross-cutting issues.

The Team Leaders will be responsible for the overall management, representation (co-ordination with the EU and other international bodies) as well as reporting. The co-ordination of activity development in the different components of the activity is significantly important. The Team Leaders are responsible for an appropriate management of resources. Specific experts will be placed within the relevant units. During the inception phase of the projects, a detailed deployment plan will be developed under the coordination of a Steering Committee

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in which each co-operating national institutions will be represented to ensure appropriate inclusion.

The different Government bodies that will benefit from expert services are:

- The different sectors within the General Secretariat;
- The Civil Servants Agency;
- Other state and non-state actors as appropriate.

The contracting arrangements are as follows:

It is expected that:

a) 1 Service contract will be concluded following an international restricted tender procedure to support the different sectors within the General Secretariat (covering component 1, 3 and 4). The duration of the contract will be for a period up to 24 months. The successful tenderer will start implementation one month after the signature of the contract; the expected date for implementation is November 2008. The contract value will be approx. EUR 1.3 mn.

b) 1 Twinning Light Agreement will be developed with an appropriate EU MS institution (covering component 2). The duration of the twinning will be for a period of approx. 6 months. The successful EU MS institution will start implementation one month after contract signatory, the expected date for implementation is March 2009. The contract value will be approx. EUR 0.2 mn.

c) 1 Service contract will be concluded following an international restricted tender procedure to support the Civil Servants Agency (covering component 5). The duration of the contract will be for a period up to 24 months. The successful tenderer will start implementation one month after the signature of the contract; the expected date for implementation is November 2008. The contract value will be approx. EUR 0.5 mn.

3.5 Conditionality and sequencing:

The project includes the following conditionalities:

- 1) Endorsement by the main stakeholders of the Terms of Reference for the individual contracts to be engaged;
- 2) Appointment of counterpart personnel by the beneficiary before the launch of the tender process;
- 3) Allocation of working space and facilities by the beneficiary for technical assistance before the launch of the tender process;
- 4) Participation by the beneficiary in the tender process as per EU regulations;
- 5) Organisation, selection and appointment of members of working groups, steering and coordination committees, seminars by the beneficiary as per TOR/workplan of the project;
- 6) Appointing the relevant staff by the beneficiaries to participate in training activities as per workplan of the project;

In the event that conditionalities are not met, suspension or cancellation of the project will be considered.

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3.6 Linked activities

Through various CARDS programmes support has been provided to important elements of the overall PAR strategy, including the Strategy for Equitable Representation, the Strategy for Cooperation with the Civil Society as well as the Strategy for the Implementation of the Ohrid Framework agreement. Numerous sector strategies in fields like environment, judiciary, police, integrated border management and in other areas have also been produced. Several ministries and governmental bodies have been supported to strengthen their internal management capacities.

Since 2006, within the Global Opportunities Fund – Reuniting Europe (GOFRE), UK provided support to the Government with view of enhancing administrative capacities for EU integration. The project implemented in the General Secretariat of the Government resulted in an (1) improved role of the General Secretariat of the Government in the strategic planning process, as a central co-ordinating body of the Government and (2) in the development of strategic plans in Ministries.

The Government of Norway, through the NORMAK project office, is also providing support to policy development capacities in several state administration bodies.

In all other projects of the IPA Operational Programme 2007 for Component 1, elements of support to the Public Administration Reform are present. The Police Reform project will assist the Ministry of Interior to strengthen its capacities to implement the Police Reform strategy, various regulating bodies, the Ministry of Finance, the State Statistical Office, the Customs Administration will receive support to implement sector strategies, while the Local Infrastructure for Economic Development project will support municipalities to strengthen their competencies in the areas that are decentralised.

3.7 Lessons learned

Phare and CARDS implementation, as documented in progress reviews, monitoring and evaluations reports, highlighted a number of common difficulties in project implementation, including insufficient availability of national (counterpart) staff, insufficient budget, late approval of relevant legislation etc. These lessons learned have been translated into conditionalities (see par. 3.5).

Another important lesson learned during the CARDS period is that appropriate mainstreaming of cross-cutting issues would significantly be stimulated through the allocation of a designated budget. Therefore, maximum 10% of the total budget will be reserved to targeted support to the mainstreaming of cross-cutting issues (see also further below).

In previous years, a large focus has been on establishing the legal frameworks in the country. The capacity to enforce the law, however, has received insufficient attention, leading to a situation where the legal reform is rather well advanced, but the practice – law enforcement and implementation - has not followed. The present, therefore, focuses on the implementation of the relevant strategies.

Further improvements – in line with the spirit of EU accession– could be realised in a stronger government leadership in the coordination efforts among the ministries and departments and a stronger focus on operational coordination and harmonisation of policies. The present project therefore supports the General Secretariat to strengthen its capacity to implement its coordination role.

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4. Indicative Budget (amounts in M€)

Activities	TOTAL COST (Million Euro)	SOURCES OF FUNDING											
		EU CONTRIBUTION				NATIONAL CONTRIBUTION			PUBLIC			PRIVATE	
		Total	% *	IB	INV	Total	% *	Central	Regional	IFIs	Total	% *	
Activity 1 support for General Secretariat;													
contract 1.1 TA for General Secretariat (Public Administration Reform Strategy, Sector for Implementation of OFA and equal representation, Unit for NGO cooperation)	1.3	1.3	100	1.3									
Contract 1.2.Twinning light for GS for strategic planning	0.2	0.2	100	0.2									
Activity 2 Support for Civil Servants Agency													
contract 2.1 TA for CSA	0.5	0.5	100	0.5									
TOTAL	2.0	2.0	100	2.0									

* expressed in % of the Total Cost

Amounts net of VAT

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

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1.1: TA for General Secretariat	1-3-2008	1-10-2008	1-10-2010
Contract 1.2: Twinning light for GS for strategic planning	1-3-2008	1-3-2009	1-9-2009
Contract 2.1: TA for CSA	1-3-2008	1-10-2008	1-10-2010

6. Cross cutting issues

The cross-cutting issues will be addressed throughout the project. Up to 10% of the budget of the service contract for capacity building may be allocated to assist the different beneficiaries to comply with European standards and best practices, implement relevant existing Government strategies and develop internal measures to ensure each cross-cutting issue is appropriately mainstreamed.

The mainstreaming of the cross cutting issues is regarded on two different levels:

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- 1) Ensuring that the internal policies, structure or operating procedures of the beneficiary institutions will conform to and promote the relevant principles outlined per section below.
- 2) Ensuring that the products, outputs produced by the beneficiaries (e.g. laws, regulations, policies, and strategies) will conform to and promote the relevant principles outlined per section below.

Throughout the project cycle, in particular when developing project ToR, state actors specifically addressing (one of) the cross cutting issues shall be consulted.

- **Equal opportunities and non-discrimination;**

The training activities will include a specific component to train ministerial staff in the implementation of the Government Gender Strategy, while reference will be made to the EC Programme of Action for the mainstreaming of gender equality in community development cooperation (2001-06). An output of this training component will be to assist the beneficiary to implement an 'internal gender assessment' to identify areas where it could improve its internal performance vis-à-vis gender.

- **Support to minority and vulnerable groups;**

Where the main reference for the country in relation to minority groups is the Ohrid Framework Agreement, in an EU context, reference is made to the "Race Directive" of 2000 (2000/43/EC of 29 June), which is also a crucial aspect of the acquis.

The implementation of the Strategy for Equitable Representation, following up on the Ohrid Framework Agreement, is one of the key objectives of the project. The beneficiaries will be assisted to implement an 'internal minority and vulnerable group assessment' to identify areas where it could improve its internal performance vis-à-vis minorities or other vulnerable groups.

The implementation of the Equitable Representation Strategy is support through the project under a specific component.

- **Environmental protection;**

The European Community has a longstanding commitment to address environmental concerns in its assistance programmes (as part of a wider commitment to sustainable development). Key references include art. 6 of the Treaty and also the Cardiff process which foresees the systematic consideration of environmental aspects into EC development cooperation AND in other policies (hence very important for the acquis).

The training activities will include a specific component to address environmental issues through a) mainstreaming environmental issues within the subject matter the beneficiary's mandate, while particular attention will be given to Strategic Environmental Assessments as a tool that allows appropriate mainstreaming throughout the government system; b) assist the beneficiary to implement an 'internal environment assessment' to identify areas where it could improve its internal performance vis-à-vis environmental aspects.

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- **Good governance, with particular attention to fight against corruption.**

Good governance and the fight against corruption is a core element of the programme. The training activities will include a specific component to address a) the basic principles of a professional Human Resource Development Strategy, b) sound budget planning and execution c) developing and implementing an communication strategy to allow for an appropriate level of transparency, and d) developing and implementing an internal risk assessment concerning corruption and design an appropriate strategy to fight corruption within the service.

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ANNEXES

- 1- Log frame in Standard Format
- 2- Amounts contracted and Disbursed per Quarter over the full duration of Programme
- 3 - Reference to laws, regulations and strategic documents:
 - a) Reference list of relevant laws and regulations
 - b) Reference to AP /NPAA / EP / SAA
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 - d) Reference to National Development Plan
 - e) Reference to national / sectoral investment plans
- 4- Details per EU funded contract (*) where applicable.
- 5- Short description of the beneficiary institutions
- 6- Organigram of the General Secretariat

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ANNEXES

ANNEX I: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Public Administration Reform Project Fiche	Programme name and number: Public Administration Reform		
	Contracting period expires two years from the date of the conclusion of the Financing Agreement	Execution period expires two years from the final date for contracting	Disbursement period expires one year from the final date for execution of contracts.
		Total budget: EUR 2 million	IPA budget: EUR 2 million
Overall objective	Objectively verifiable indicators	Sources of Verification	
The overall objective of the project is to provide advisory support to the Public Administration in order to ensure a consolidated support to key elements of the overall Public Administration Reform process.	- Successful contracting and subsequent delivery of expertise	- contracting records and progress reports	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
The project purpose is to contribute to a professional public administration that will enable appropriate implementation of the rule of law in compliance with national legislation, provide high level services to the citizens in a transparent manner, taking due account of EU regulations and best practices and in which the public will have trust.	Increasing compliance with EP, SAA and NPAA priorities	- Regular Reports	Political stability to allow for appropriate implementation of the reform strategy. Continued commitment to the EU accession process.
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
Component 1. Strengthen the further development and implementation of the Public Administration Reform Strategy The expected results include: - an updated Public Administration Reform strategy developed - staff trained (inclusive study visits) on the methodology to develop a PAR strategy and in key elements of such a strategy - public debates on the PAR strategy conducted (before its adoption)	The Measurable indicators include: - a new strategy is adopted by 2009 - the number of staff participating in the training and study visits (to be further detailed in the terms of references)	- Government decision concerning the new PAR strategy. - Project reports - Government monitoring reports.	PAR unit is sufficiently staffed and funded. Other Ministries and stakeholders ready to cooperate with the General Secretariat.

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<p>- monitoring capacity for the implementation of the new PAR strategy established</p> <p>Component 2. Capacity building of the General Secretariat (and the line ministries) for strategic planning and policy making, monitoring and coordination</p> <p>The expected results include:</p> <ul style="list-style-type: none"> - Developed organizational structures required to oversee and implement the coordination and screening function to ensure well planned, budgeted and co-ordinated polices relevant to the EU requirements; - Staff in ministries and other administrative bodies trained in skills required in the strategic planning and policy development processes; - Trained (including through study visits) civil servants in the General Secretariat to act as a quality check point on policies and proposals submitted to Government. 	<p>The measurable indicators include:</p> <ul style="list-style-type: none"> - Organisational structures have been established to oversee and implement the coordination and screening function by 2009 - The number of trainings in strategic and policy planning for senior managers in the central coordination bodies and in ministries (to be further detailed in the terms of references) - The number of staff participating in training and study visits (to be further detailed in the terms of references) 	<ul style="list-style-type: none"> - Project reports - Government decisions concerning organisational structures - Training reports 	<p>Sector is sufficiently staffed and funded. Other Ministries and stakeholders ready to cooperate with the General Secretariat.</p>
<p>Component 3: Sector for the Implementation of the Ohrid Framework Agreement – Equitable Representation</p> <p>The expected results include:</p> <ul style="list-style-type: none"> - Implementation of the Strategy for Equitable Representation, inclusive an annually updated plan of action; - Increased capacity of the Sector staff for strategic planning and subsequent implementation of activities, inclusive study visits and regional networking activities; - Established coordination mechanism with other Government sections and non-state actors relevant for the implementation of the Strategy for Equitable Representation. 	<p>The measurable indicators include:</p> <ul style="list-style-type: none"> - Representation of different ethnic groups in the administration (in terms of numbers classified by occupational categories) has improved by 2010 compared to the situation in 2007. - The number of trainings organised and number of staff participating in training (to be further detailed in the terms of references); - A plan for establishing a coordination mechanism between Government sections and non-state actors relevant for the implementation of the Strategy for Equitable Representation is finalised by the end of 2008 and the mechanism is operational by 2009. 	<ul style="list-style-type: none"> - Annual Action plans - Project reports, - Training reports - Ethnic representation statistics 	<p>Sector is sufficiently staffed and funded. Other Ministries and stakeholders ready to cooperate with the General Secretariat and commit to the implementation of the Strategy for Equitable Representation.</p>
<p>Component 4: Sector for Policy Analysis and Coordination (Unit for NGO cooperation) – Civil Society</p> <p>The expected results include:</p> <ul style="list-style-type: none"> - Review of the implementation of the Strategy in 	<p>The measurable indicators include:</p> <ul style="list-style-type: none"> - A review of the Strategy has been adopted by 2009 - The number of trainings organised and number of staff participating in training and study visits 	<ul style="list-style-type: none"> - Project reports - Training reports - Minutes of coordination meetings 	<p>Sector is sufficiently staffed and funded. Other Ministries and stakeholders ready to cooperate with the General Secretariat and commit to the</p>

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<p>2009;</p> <ul style="list-style-type: none"> - Increased capacity of the Unit staff, inclusive study visits, to implement activities according to the Action plan and activities related to the new Law on Citizens Associations and Foundations; - Established coordination mechanism with other Government sections relevant for the implementation of the civil society strategy and to further strengthen the regional networking aspects; - Established communication mechanism with non-state actors relevant for the implementation of the civil society strategy and concerning the review of the Strategy in 2009. <p>Component 5: Civil Servants Agency – HR Development</p> <p>The expected results include:</p> <ul style="list-style-type: none"> - Capacity building of the CSA for Human Resources Development, including the strengthening of internal capacities for training management and to strategically plan and subsequent implement activities; - Established coordination mechanism with other Government sections relevant for the implementation of the Human Resource Management actions; - Capacity building to strengthen the implementation of the National System for Training Coordination. 	<p>(to be further detailed in the terms of references)</p> <ul style="list-style-type: none"> - A coordination mechanism with other Government sections is in place and operational by 2009 - A plan to establish a communication mechanism with non-state actors concerning the review of the Strategy is in place by the end of 2008 <p>The measurable indicators include:</p> <ul style="list-style-type: none"> - The number of training organised and number of staff participating in training (to be further detailed in the terms of references) - Training coordination mechanism is operational by 2010 	<ul style="list-style-type: none"> - Project reports - Minutes of coordination meetings 	<p>implementation of the Civil Society Strategy</p> <p>CSA is sufficiently staffed and funded. Other Ministries and stakeholders ready to cooperate with the CSA in the training coordination and general HR management. Other international agencies ready to cooperate with the CSA in the training coordination.</p>
Activities	Means	Costs	Assumptions
<p>Capacity building activities will be implemented according the following approach:</p> <ul style="list-style-type: none"> - Assessment of existing strategies and approaches, comparing them to the needs; - Identification of priority areas for attention; - Capacity assessment of the relevant sectors within the General Secretariat and the Civil Servants Agency; - Developing an action plan for each of the improvement measures, prioritisation of these measures, including responsibility distribution, and with due inclusion of the cross-cutting issues (see below); - Implementation of the capacity building activities. 	<p>Technical Assistance</p> <p>Twinning Light Arrangement</p>	<p>1.8 Million Euro</p> <p>0.2 Million Euro</p>	<ul style="list-style-type: none"> - Experts recruited will be of sufficient quality. - Both General Secretariat and CSA are sufficient staffed and have sufficient budget. -

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<p>These will include on-the-job training, seminars, workshops, study visits, joint action plan development, class-room type of training activities, etc.;</p> <p>- Establishment of a monitoring system allowing for appropriate assessment of progress being made. This is to be embedded within the Government structure.</p>			
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Pre conditions

- 1) Endorsement by all key stakeholders of the Terms of Reference, specifications for the individual contracts to be engaged;
- 2) Appointment of counterpart personnel by the beneficiary before the launch of the tender process;
- 3) Timely allocation of working space and facilities by the beneficiary for technical assistants before the completion of the tender process;
- 4) Participation by the beneficiary in the tender process as per EU regulations;
- 5) Organisation and appointment of members of working groups, steering and coordination committees, seminars by the beneficiary as per workplan of the project;
- 6) Appointing the relevant staff by the beneficiaries to participate in training activities as per workplan;
- 7) Provision of the necessary authorisations for co-operating and sharing of information with the deployed advisory resources.

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ANNEX II: Indicative planning of the amounts (in €Million) Contracted and disbursed by quarter for the project (only IPA contribution)

Contracted	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010
Contract 1.1: TA for General Secretariat				1.3						
Contract 1.2: Twinning light for GS for strategic planning					0.2					
Contract 2.1: TA for CSA				0.5						
Cumulated				1.8	2.0					
Disbursed										
Contract 1.1: TA for General Secretariat				0.15	0.25	0.25	0.25	0.25	0.15	0.15
Contract 1.2: Twinning light for GS for strategic planning					0.1			0.1		
Contract 2.1: TA for CSA				0.05	0.05	0.05	0.05	0.05	0.05	0.05
Cumulated				0.2	0.6	0.9	1.2	1.6	1.8	2.0

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ANNEX III: Reference to laws, regulations and strategic documents:

3.a) Reference list of relevant laws and regulations

Key laws and regulations on public administration reform:

- Constitution of the Republic of Macedonia, 1991;
- Ohrid Framework Agreement, 2001;
- Rules of Procedure for Operation of the Government, 2006;
- The Methodology on Strategic Planning and Preparation of the Annual Work Programme of the Government, 2003;
- The Methodology on Policy Analysis and Co-ordination, 2006;
- Law on Government, 2003;
- Law on Organisation and Operation of the State Administrative Bodies, 2002;
- Law on general secretariat of the government, 2001;
- Law on Civil Servants, 2004;
- The Code of Ethics for Civil Servants, 2004.

3.b) Reference to AP /NPAA / EP / SAA

Reference to European Partnership: The program will address the following EP priorities: “Further develop the capacity of the administration to implement the Stabilisation and Association Agreement”; “Implement fully the Law on Civil Servants. Depoliticise the recruitment and career advancement of civil servants and other public agents and introduce a merit-based career system”; “Improve administrative transparency”; “Ensure the effective implementation of the Code of Ethics for Civil Servants”; “further implement the strategy on equitable representation of minorities in the public administration and public enterprises”; “Further develop the capacity of the administration to implement the Stabilisation and Association Agreement”; “Further promote the active participation of civil society, including the social partners, in decision making processes”. The EP 2004 included: “Implement fully the Law on Civil Servants. Further develop the Civil Servants Agency. Develop appropriate strategic planning and related allocation of resources in all Ministries and at Governmental level. Implement the Strategic Development Plan of the General Secretariat”.

Reference to the SAA: The programme addresses the objectives of the SAA for “the development of civic society and democratisation, institution building and public administration reform”.

Reference to the EC Opinion and to the Analytical Report for the Opinion: The programme will address the following needs as assessed by the Opinion: “Improving participation by minorities in the public sector is an effort which has to be sustained in the medium term. Sensitive arbitration is needed from the government and only a strong political will can sustain the process. A medium-term strategy for equitable representation of all minorities would facilitate that process”. “More active involvement of NGOs in public policymaking and reforms is observed, whether on fighting corruption, social care and services, environmental issues or on the protection of human and minority rights, gender equality, refugees and humanitarian activities and supporting the

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decentralisation process. The number of registered NGOs and foundations is approx. 5 700. Progress has been made on building networks of organisations. Since 2002 the government has provided financial support to some NGOs, albeit without clear and transparent criteria. The development of professional organisations and civic associations is still hampered by the lack of financial resources and remains predominantly dependent on external resources, public or foreign. Government initiatives, such as tax incentives and better coordination between the public authorities and NGOs, remain necessary to further facilitate and support the development of civil society”; “Overall, the Republic of Macedonia will have to make considerable and sustained efforts to align its legislation with the *acquis* on electronic communications, information society services and audiovisual policy and to effectively implement and enforce it in the medium term”; “Under the Law on Civil Servants, the selection procedure is based on the merit principle....However, in practice the rules governing recruitment and selection of candidates do not prevent political interference and full implementation of the Law remains to be ensured. The system of promotions, mobility and disciplinary measures still has to be fully set in place, as initially provided for by the Law”; “A Code of Ethics for civil servants was adopted in November 2001 and amended in 2004, providing for disciplinary accountability in case of violation of the Code. In practice, however, this is still rarely applied and implementation should be enhanced”.

Reference to the Progress Report: The latest progress reports makes the following evaluation: “In the absence of a common strategy to ensure equitable representation, solutions have so far been specific to individual institutions or sectors. There is a need for additional efforts to ensure that equitable representation policies and mechanisms fully reflect the ethnic diversity of the population”; “The active involvement of civil society organisations in public policy-making and reforms has developed further, for instance, through making proposals for new legislation. The government adopted a strategy for co-operation with civil society in June. A new law on sponsorship and donations was enacted in April, providing tax incentives for donations and sponsorship by a local or foreign legal or physical entity. However, the strengthening of civil society requires further coordination between non governmental organisations (NGO) and the public authorities. The development of the NGOs’ activities is still hampered by a lack of resources. Changes in the criteria for allocating grants from the state budget to NGOs are still needed, so as to better define objectives and avoid non-transparent selection procedures”; “The mechanisms to increase professionalism and accountability and guarantee independence and political neutrality need to be fully implemented”; “Implementation of the code of ethics for civil servants should be further strengthened”; “The Civil Servants Agency should be further strengthened to be able to play its full role in assessing performance of civil servants and in disciplinary procedures”; “A process for citizens' consultation and participation in the initial stage of developing legislation is included in the 2000 Law on Organisation and Operation of State Administrative Bodies. However, it is little used. Training measures are needed to ensure the correct and consistent implementation of the 2005 Law on General Administrative Procedures across the public administration and to further strengthen citizen's rights”; “Ministries need to be more realistic in their planning and increase their capacity for strategy and policy development, given the lack of appropriate administrative structures for implementation. Additionally, the uneven quality of legislation leads to difficulties in its implementation. The practice of prior impact assessment should be extended”; “Overall, reforms in the organisation of the public administration are taking place progressively and aim to improve management and increase transparency. However, implementing reforms in the administration and the reform of the police remain serious challenges”.

Reference to National Plan for the Adoption of Acquis: “The main objectives of the public administration reform within the framework of the EU integration are, in particular: conforming and empowering the public administration for the continuous process of transposition and implementation of the *acquis*; empowering the public administration for the creation and implementation of the overall reforms of the economic, political and legal system; development of institutions that are necessary for the providing of the free transfer of goods, capital, services and people within EU”; “the increase of the rate of representation

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of the members of communities has been set as one of the key priorities in the process of public administration reforms”; “strengthening and consistent application of the established principles and standards in the sphere of selection, recruitment, accountability and assessment of civil servants; simplification and more efficient implementation of the recruitment procedure; facilitation of the horizontal mobility; a more prompt assessment of data on the civil servants”; “Training is one of the most important components of the human resources development. It is evident that the increase of the number of training courses leads to an enhanced efficiency and effectiveness of civil servants. The strengthening of their knowledge and skills enhances the functioning of the bodies employing them and the services provided to the citizens, which is the ultimate goal of the public administration”; “The expertise and quality of civil servants are key factors for the success of the public administration reforms. Therefore, it would require a functional human resource management system, which is based on a legal framework, organisational structure, and operational procedures that cover all aspects of human resources governance and management”; “enabling natural and legal persons to exercise their rights to free access to public information”; “Strategic commitment to professional, politically neutral, efficient, accountable and service-oriented public administration incorporated in the Law on Civil Servants, adopted in 2000, will be continuously enforced through monitoring the consistent implementation of the established principles and standards in the sphere of civil servants’ selection, employment, responsibility and performance appraisal”; “The continuity of the public administration reform is one of the key objectives of the Government laid down in the Decision on Strategic Priorities for 2007. Those are as follows: increased transparency and further promotion of the civil-society participation and inclusion of social partners in the decision-making process and in the management of public financing; strengthening the administrative capacities of the local self-government and introducing financial security; ensuring equitable representation of the members of communities within the public administration, including judiciary and public enterprises, strengthening the inspection services capacity as well as the administrative capacity of the Instrument for Pre-accession Assistance (IPA).” “Enhancing strategic planning, integration of the process for determination of the priorities with the budget process will significantly increase the potential of the Government regarding accomplishment of its functions and allocation of resources for their implementation”; “Ensuring consistency of the strategic planning mechanisms and the budget process with the mechanisms and instruments for the EU accession process is one of the key objectives towards achieving the short-term priorities. This implies adjustment and consistent implementation of the administrative procedures, supported by electronic system of the Government functioning as well as capacity building –both on central level of the Government and in the state administrative bodies. Furthermore, the system of evaluation and monitoring of the implementation of the Government policies will be strengthened”; “Improvement of the law-adoption procedure as a short-term objective will be focused on development and implementation of methodologies for impact assessment, higher level of inclusion of all stakeholders as well as enhanced transparency”; “Participation of the civil society in the process of policy-making is one of the strategic objectives also contained in the Strategy for Cooperation between the Government and the Civil Sector (2007-2011). In the course of 2007 the Rules of Procedure of the Government will be amended so as to ensure that draft laws are available to the public through web-sites of the Ministries and of other state administrative bodies; thus ensuring participation of the civil sector in the work of expert councils of the Government (Legal and Economic Councils) and other bodies”.

3.c) Reference to MIPD

Multi-Annual Indicative Planning Document indicates the following: “In order further to improve the country’s alignment with the political criteria, and taking into account commitments made under the SAA, EU assistance will continue to help to advance *public administration reform* by supporting the implementation of a comprehensive Public Administration Reform strategy, which will streamline administrative procedures and improve the capacity of the public administration”; “It remains important to improve equitable representation in the public administration in line with the constitutional and legal provisions deriving from the Ohrid Framework Agreement”; “targeted support to improving the capacities of public administrations is needed”; “Assistance

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will be provided to consolidate the sectoral reforms (i.e. public administration reform, judicial reform, police reform, etc.) that have been adopted and to ensure their effective enforcement. The implementation of these reforms is also essential to improving the economic development in the country, which is hampered by cumbersome procedures, inefficient administration and corruption. Given the limited absorption capacity of the public administration in the country priority will be given to supporting the institutions that are directly concerned by the reforms”; “Steps remain to improve the efficiency and accountability of the police and the public administration as a whole”; “Improving the functioning of the public administration and its capacity to implement the community acquis”; “In the field of social inclusion, assistance is aimed at fostering the integration of disadvantaged people and enhancing the participation of civil society”; “IPA can intervene to enhance the active participation of the civil society, including NGOs and social partners, in the decision-making process and its capacity to contribute effectively in the definition and implementation of social inclusion policies, also by promoting partnership, networking and project management skills”;

3.d) Link with National Development Plan

The NDP makes the following assessment on public administration “Low level of administrative capacity to effectively design and implement policies; Lack of qualified, motivated and committed public administration; Status and responsibilities of the employees in public administration and public services are not adequately legally regulated (the regulation is not corresponding to the needs of the public sector”. Among the Plan’s six main objectives, is also reform of the public administration: “To strengthen the capacity of human resources in the public administration (to be capable for effective market regulation and supervision as well as for design and implementation of complex reforms)” and “To undertake measures for capacity strengthening of human resources in the public administration”. It also adds following: “The efficiency of the administration is an important element in the contemporary public administration trends. The lack of qualified, motivated and committed public administration prevents the country from implementing its new competencies in a situation of a market economy. The reforms and the restructuring of the public administration will bring about significant results, provided that considerable attention is devoted to the development of human resources and the improvement of their competences and skills, the working conditions, and the possibilities for career and motivation in particular. The appropriate integration of these elements in the overall process of public administration reform will result with qualitative improvement in the productivity and efficiency of the public administration. The program of administration capacity enhancement will be composed of the following 5 segments: (i) establishment of standards for human resource management in the public administration; (ii) establishment and implementation of a sustainable system for continuous training of civil servants (on central and local level); (iii) improvement of ethics of public officials and administration; (iv) capacity building of inspection services; and (v) development of IT in the operation of the public administration”; “An analysis on the implementation of the public administration reform has shown that, although certain improvement has been achieved in the implementation of reforms in all of the relevant areas of the broader public administration (civil servants plus employees in healthcare, education and science, social issues and culture), the status and responsibilities of the employees is not appropriately legally regulated. The existing Law on Labour Relations is primarily compatible to the conditions in the private sector and does not correspond to the situation in the public sector. The aim of achieving the standards for a competent public administration can be reached with an extension of the basic principles of professionalism, efficiency, political neutrality and service oriented civil service, presently stipulated with the Law on Civil Servants, to target the employees in the other segments of the public sector, as well. On the other hand, the decentralisation process which commenced in 2004 allows for the transfer of numerous competences to the local administration. Thus, besides at national level, a responsible and competent public administration at local level is a crucial precondition for successful implementation of the decentralisation process and for ensuring high quality of public services for the citizens. This derives the need for incorporating a thorough and systematic capacity building at all levels of the public administration”.

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3.e) Reference to national / sectoral investment plans

The project directly links to the following strategies and action plans in the sector:

- Action Plan for the Implementation of the Ohrid Framework Agreement,
- Strategy for Equitable Representation, 2007;
- National Strategy for European Integration,
- Strategy of Reforms of Public Administration, 1999.
- Information on the Human Resources in the Public Administration
- Action Plan for Implementation of Conclusions and Recommendations contained in the Information on the Human Resources,
- National System of Coordination of Training of Civil Servants,
- Strategy for Civil Society, 2007;

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ANNEX IV: Details per EU funded contract (*) where applicable:

No deviations from standard contractual procedures are foreseen.

It is expected that:

- a) 1 Service contract will be concluded following an international restricted tender procedure to support the different sectors within the General Secretariat (covering component 1, 3 and 4). The duration of the contract will be for a period up to 24 months. The successful tenderer will start implementation one month after contract signatory; the expected date for implementation is November 2008. The contract value will be approx. 1.3 Million Euro
- b) 1 Twinning Light Arrangement will be developed with an appropriate EU MS institution (covering component 2). The duration of the twinning will be for a period of 6 to 8 months, depending on the budget. The successful EU MS institution will start implementation one month after contract signatory, the expected date for implementation is March 2009. The contract value will be approx. 0.2 Million Euro
- c) 1 Service contract will be concluded following an international restricted tender procedure to support the Civil Servants Agency (covering component 5). The duration of the contract will be for a period up to 24 months. The successful tenderer will start implementation one month after contract signatory, the expected date for implementation is November 2008. The contract value will be approx. 0.5 Million Euro.

Technical assistance will predominantly be provided to the relevant sectors within the General Secretariat and the Civil Servants Agency. However, other state and non-state institutions may be included as required.

The contracts to support the General Secretariat will contain next to a Team Leader being responsible for the overall activity implementation, additional expertise- inter alia - to build capacities in the areas of public administration reform, strategic planning and policy analysis, equitable representation, cooperation with the civil society sector, and to address the cross-cutting issues.

The contract to support the Civil Servant Agency will contain next to a Team Leader being responsible for the overall activity implementation, additional expertise to build capacities in the area of Human Resource Management in public bodies and to address the cross cutting issues.

In each contract, a flexible pool of short and mid term expertise will be made available in order to assist in detailed tasks. Some of these short term experts will address the cross-cutting issues.

The Team Leaders will be responsible for the overall management, representation (co-ordination with the EU and other international bodies) as well as reporting. The co-ordination of activity development in the different components of the activity is significantly important. The Team Leaders are responsible for an appropriate management of resources. Specific experts will be placed within the relevant units. During the inception phase of the projects, a detailed deployment plan will be developed under the coordination of a Steering Committee in which each co-operating national institutions will be represented to ensure appropriate inclusion.

The different Government bodies that will benefit from expert services are:

- The different sectors within the General Secretariat;

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- The Civil Servants Agency;
- Other state and non-state actors as appropriate.

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ANNEX V: Description of the beneficiaries

The Sector for Strategy, Planning and Monitoring, which:

- prepares an analysis of the objectives met and results achieved through the implementation of the Government's Strategic Priorities for the previous year;
- prepares a draft Decision on the Government's Strategic Priorities;
- cooperates with the Ministry of Finance to ensure that the State Budget reflects the Government's Strategic Priorities;
- oversees the manner, and monitors the extent of the implementation of the Government's Strategic Priorities; and
- prepares a Draft-Annual Work Programme for the Government and monitors its implementation.

The Sector for Policy Analysis and Coordination, which:

- ensures the consistency of draft legislation and other materials submitted to the Government and its working bodies, making sure that they are based upon analysis of a high quality;
- cooperates with and coordinates the ministries in resolving issues of a strategic nature where there are different opinions and positions, in order to achieve agreement regarding the specific policy initiative and maximise its impact on the achievement of the Government's Strategic Priorities;
- ensures the prompt preparation for sessions of working bodies and expert bodies of the Government - the Legal and Economic Councils and prepares reports and minutes from their work;
- oversees and coordinates Public Administration Reform in the Republic of Macedonia; and
- develops cooperation with organisations and institutions from the non-governmental sector.

The Sector for Implementation of the Framework Agreement, although functionally part and parcel of the General Secretariat politically answers to the Deputy Prime Minister for Implementation of the Ohrid Framework Agreement, and offers support to the Government in realization of the strategic priority related to obligations deriving from the Framework Agreement and especially for providing equitable and adequate representation of citizens belonging to all communities in the state administrative bodies and other public institutions; monitors the decentralization process through the Action Plan for decentralization and public administration reform and in other areas that are directly or indirectly related to the implementation of the Framework Agreement; develops an Action Plan for preparation of projects from the Framework Agreement and coordination of its implementation and their monitoring; offers support to working bodies included in the process of realization of obligations derived from the implementation of the Framework Agreement; works on providing the necessary human resources for realization of the process of implementation of the Framework Agreement.

The **Civil Servant Agency** is responsible for the overall implementation of the law on civil servants and coordinates the implementation of civil servants training.

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ANNEX VI: Organigram of the Secretariat General

