



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

### **MULTI-COUNTRY**

### **EU4 Good Governance: Support for Improvement in Governance and Management (SIGMA) in the Western Balkans and Turkey**

#### **Action summary**

This action contributes to strengthening public administrations in the Western Balkans and Turkey in line with the Principles of Public Administration, with the objective of enhancing integrity, predictability, accountability, legality and transparency of public administrations and improving policy outcomes and services to citizens and businesses in order to support socio-economic development.

SIGMA assistance focuses on six core areas of public administration reform: strategic framework, policy development and coordination, public service and human resource management, accountability, service delivery, and public financial management. This action supports beneficiaries in improving management and monitoring of public administration reform efforts and contributes to building up administrative capacities for more evidence-based and inclusive alignment and implementation of the EU *acquis*.

<b>Action Identification</b>	
<b>Action Programme Title</b>	IPA II Multi-country Action Programme 2020 – part 1
<b>Action Title</b>	EU4 Good Governance: Support for Improvement in Governance and Management (SIGMA) in the Western Balkans and Turkey
<b>Action ID</b>	IPA 2020/041-818.09/MC/SIGMA
<b>Sector Information</b>	
<b>IPA II Sector</b>	9. Regional and territorial cooperation
<b>DAC Sector</b>	15110 – Public sector policy and administrative management
<b>Budget</b>	
<b>Total cost</b>	EUR 15 499 764
<b>EU contribution</b>	EUR 15 000 000
<b>Budget line(s)</b>	22.020401 – Multi-country programmes, regional integration and territorial cooperation
<b>Management and Implementation</b>	
<b>Method of implementation</b>	Indirect management
<i>Indirect management:</i> <i>Entrusted entity</i>	Organisation for Economic Co-Operation and Development (OECD)
<b>Implementation responsibilities</b>	Directorate-General for Neighbourhood and Enlargement Negotiations, Unit A3 – Thematic support, Economic Development & IFIs, Public Administration Reform
<b>Location</b>	
<b>Zone benefiting from the action</b>	Western Balkans (Republic of Albania, Bosnia and Herzegovina, Kosovo <sup>*</sup> , Montenegro, Republic of North Macedonia, and Republic of Serbia) and Republic of Turkey
<b>Specific implementation area(s)</b>	N/A
<b>Timeline</b>	
<b>Final date for contracting including the conclusion of contribution/delegation agreements</b>	At the latest by 31 December 2021
<b>Final date for operational implementation</b>	72 months from the adoption of the Financing Decision

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\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

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

# 1. RATIONALE

## PROBLEM AND STAKEHOLDER ANALYSIS

Public administration reform, together with rule of law and economic development, remains a key priority in the enlargement process. It focuses on cross-cutting issues of fundamental importance such as the rationality of the overall structure of administration and its accountability, quality of strategic planning and legislative development processes, depoliticisation and merit-based human resources management, and sound public financial management. The quality of these various cross-cutting aspects of administration directly impacts governments' ability to develop and implement coherent sector policies and legislation, including the *acquis*, and to provide public services to citizens and businesses, to prevent and fight corruption and to foster competitiveness and economic growth.

The Western Balkans and Turkey face important challenges on public governance – albeit differing as regards specific contexts and stage of reform process. While the majority of beneficiaries are implementing public administration reform strategies, including on public financial management (PFM), the strategic plans do not always sufficiently address the complexity of reforms. While there is at least certain level of political commitment, public administration reform is often treated as a sector reform rather than a cross-cutting reform, and the reform efforts are too often undermined by contradicting political decisions, especially on de-politicisation of civil service and rationalisation of administration structures. Weak implementation and reform coordination capacities are also key challenges. The COVID-19 pandemic has further demonstrated the need for the IPA II beneficiaries to strengthen horizontal coordination and to introduce sustainable governance arrangements that would enable administrations at all levels of government to respond efficiently in an emergency situation, thereby guaranteeing the provision of urgent services to the benefit of all citizens.

The IPA II beneficiaries have generally weak strategic planning, policy and legislative development capacities. Even where common rules and methodologies have been adopted for development, monitoring and reporting on sector strategies and on inclusive and evidence-based policy and legislative development, they are not systematically applied by all line institutions. The main shortcomings relate to the lack of strong quality control functions by coordinating institutions and weak capacities in line institutions for statistical and administrative data production, policy analysis, impact assessments and legislative drafting as well as insufficient inter-ministerial coordination and inadequate public consultation. In addition, costs for implementation of policies and laws are not systematically calculated and budgeted. These shortcomings largely explain why there are too often overlaps in adopted policies and legislation and why the IPA II beneficiaries continue to have modest strategy and law implementation records. The COVID-19 pandemic has shown the need to support governments in developing effective policies in any sector necessary to slow the pandemic's spread and blunt its economic and societal effects –from health, taxes, labour and employment to SMEs, education, science and technology, trade and investment and more. One of the key challenges across IPA II beneficiaries relates to ensuring a professional, meritocratic and de-politicised civil service. Despite substantial efforts put in this area, especially in terms of legislative work, civil service reform efforts alone have not been able to reduce politicisation and other distortions such as personalisation of power and patronage. More focus needs to be put on following up actual human resources management practices at the level of line institutions. Also, there is an increasing realisation that without re-directing the focus on managerial accountability, and delegation of decision-making, a professional category of permanent civil servants, upon which holders of public office rely and which can exercise a check on power, cannot emerge. Corruption remains a problem at both political and administrative levels. The risk of corruption and abuse of power has increased with the COVID-19 pandemic. Currently, numerous restrictions and fast-track procedures which aim to provide the efficient answer of the system to the crisis, and suspension of the checks-and-balances principle, leaves major space for corruption and non-democratic tendencies.

A further key weakness relates to the overall fragmented administration structure. Many IPA II beneficiaries have created (semi)independent administrative bodies, often for political reasons, but without ensuring

appropriate supervision and reporting lines. This has risked parallel and overlapping policy work between agencies and their natural parent ministries. Also, citizens' rights to good administration, access to information, administrative justice and for the right to seek compensation in cases of administrative wrongdoings need to be more systematically addressed.

In the area of service delivery, digitalisation and e-governance reforms are a key priority for the IPA II beneficiaries. While a lot of e-services have been created, they have not been always systematically integrated in the ongoing public administration reform efforts, hence lacking a whole-of-government focus. Also, more efforts are needed to ensure that these various services are continuously tailored to the needs of citizens and businesses, rather than being a 'one-off' exercise. While most IPA II beneficiaries have adopted the general laws on administrative procedures, there are difficulties with systematic implementation. In some IPA II beneficiaries, the sectoral laws and implementing legislation have not yet been brought in line with the general administrative procedure law. Moreover, digitalisation and e-governance reforms are essential to predict and fight emergency outbreaks providing long-term solutions, ensuring proper functioning of the government machinery, business continuity and service delivery.

Public financial management reforms are focusing on different, yet coordinated, sub-system reforms, such as on domestic revenue mobilisation, budgeting, debt management, public procurement, public investment management, accentuating, public internal financial control and external audit. Domestic budget is still rarely perceived as a policy instrument, resulting continuous weak link between strategic planning and budgeting.

The main stakeholders that will benefit from this action are the central institutions responsible for the overall public administration reform management and coordination and are in charge of the specific public administration reform areas of policy development and coordination, public service and human resources management, accountability, service delivery and public financial management, independent institutions, and the Parliament within the scope of their scrutiny and oversight powers. While organisation of administration varies among the IPA II beneficiaries, an illustrative list includes Ministries of Public Administration, Ministries of Interior, Offices of the Minister for Public Administration; Civil service commissions/offices; government Offices/General Secretariats; Legal Secretariats; Ministries of Justice, Ministries of Finance; oversight bodies; supreme audit institutions; institutions responsible for applying EU policies; Public Procurement authorities; and Parliaments. This action will also increasingly assess the level of implementation of new public administration reform rules and procedures in line institutions, hence stakeholders may also include a number of line ministries and agencies in different IPA II beneficiaries.

## **OUTLINE OF IPA II ASSISTANCE**

SIGMA activities are designed to contribute towards strengthening the IPA II beneficiaries' capacities to fulfil their obligations under the Copenhagen criteria and the Stabilisation and Association Process. In particular, the objective is to strengthen institutional and administrative capacities in six horizontal PAR core areas, further defined by the Principles of Public Administration: Strategic Framework of public administration reform, policy development and co-ordination, public service and human resource management, accountability, service delivery and public financial management.

SIGMA will continue to support implementation and upgrade of public administration reform, including public financial management, strategies. SIGMA will contribute to improving strategic planning and inclusive and evidence-based policy and legislative development and building up of a professional, merit-based civil service. SIGMA will also contribute to enhancing the organisation of the public sector, its transparency and accountability toward citizens and improving the quality and accessibility of public services and improving the management of public funds. In doing so, SIGMA will support IPA II beneficiaries to further meet the relevant Principles of Public Administration. This action may also contribute to strengthening the capacity of IPA II beneficiaries in securing longer-term administrative structures able to respond cross-cuttingly to emergency situations as well as post-emergency rebuilding of society and the

economy, such as during and following the global COVID-19 pandemic. Depending on additional resource allocation, this action may also contribute to the definition of good governance principles for sub-national levels of government and support in addressing them.

SIGMA will provide the IPA II beneficiaries with assistance tailored to their individual needs while encouraging regional collaboration and sharing of best practices. SIGMA will also continue to prepare regular assessments to measure progress against the Principles of Public Administration. SIGMA will identify the main problems that the IPA II beneficiaries are facing in their specific reform process and prepare recommendations. All SIGMA actions will be addressed through specific and regional Action Plans, which will be prepared and agreed in coordination with IPA II beneficiaries and the European Commission. In this way, SIGMA ensures coherence between assessment results and domestic reform agendas, ongoing bilateral and regional IPA assistance and activities, notably those of the Regional School of Public Administration (ResPA). During implementation SIGMA will ensure necessary flexibility to adapt action plans to changes in the priorities of the IPA II beneficiaries.

Public officials and office holders, outlined above under stakeholder analysis, will directly benefit from this action. Ultimately, both citizens and economic actors will benefit from improved public policies and services.

## **RELEVANCE WITH THE IPA II MULTI-COUNTRY INDICATIVE STRATEGY PAPER AND OTHER KEY REFERENCES**

The revised Multi-country Indicative Strategy Paper 2014-2020<sup>1</sup>, adjusting the original document<sup>2</sup> and the Indicative Strategy Papers<sup>3</sup> confirm the focus on public administration reform as an essential component of democratic governance and the rule of law, vital for the European perspective of IPA II beneficiaries. The development of a more professional, de-politicised, accountable and reliable public administration which is able to prepare and implement good public policies and better serve citizens and business has been identified as a key priority by the IPA II beneficiaries together with a sound financial management of taxpayers' money. The action therefore contributes to the implementation of the enlargement strategy and the South East Europe 2020 strategies.

When it comes to alignment of legislation with and implementation of the *acquis*, this action is in synchrony with the EU Better Regulation agenda, which promotes inclusive and evidence-based policy- and law-making processes both at EU level and by the Member States, when they transpose *acquis* in their domestic legislation. It aims to ensure that “policy is prepared, implemented and reviewed in an open, transparent manner, informed by the best available evidence and backed up by involving stakeholders”.

Through SIGMA, the European Commission promotes a more comprehensive approach to public administration reform within the agreed reform monitoring framework, the Principles of Public Administration. Based on the SIGMA's regular assessments of the internal governance systems, and the subsequent, tailor-made support to the upgrade, monitoring and reporting of reform strategies and action plans, and contribution to a more evidence-based policy dialogue, will support those IPA II beneficiaries, which are genuinely committed improving the quality of their administrations.

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<sup>1</sup> (2018)3442, 31.5.2018

<sup>2</sup> C(2014) 4293, 30.06.2014

<sup>3</sup> C(2014) 5770, 18.08.2014-Albania; C(2014) 9495-Bosnia and Herzegovina, 15.12.2014; C(2014) 5861, 19.08.2014-North Macedonia; C(2014) 5771, 18.08.2014-Montenegro; C(2014) 5772, 20.08.2014-Kosovo; C(2014) 5872, 19.08.2014-Serbia; and C(2014) 5998, 26.08.2014-Turkey

## LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE

The EU has supported the IPA II beneficiaries, especially in the Western Balkans, with their public administration reform efforts in line with the Principles of Public Administration since the 2014-15 enlargement strategy. The lessons learned with implementation of EU support and the policy dialogue with beneficiaries are fully taken into consideration in the design of this proposed action:

- The Principles of Public Administration have contributed to more systematic public administration reform efforts. They have increased IPA II beneficiaries' awareness on the need to move away from isolated, uncoordinated 'single issue' reform initiatives towards a more holistic approach. For example, it is increasingly understood that training of civil servants or the increase of civil service salaries alone are not sufficient to improve administrative capacity in different sectors. The systemic inefficiencies in the accountability structure of the administration and in the strategic planning and law-making system together with delegation of decision-making from political to administrative levels (managerial accountability), need to be equally addressed for improved administrative capacity and delivery of better sector policies and services to citizens and businesses. This action will continue to promote this holistic approach, and it will aim to increase the political awareness and buy-in in line institutions beyond the institutions in charge of coordination of public administration reform. This action may also contribute to a more holistic approach towards public governance, including at lower levels of government provided the programme receives additional resources.
- Past experience has shown that while specific actions to build administrative capacities in different sectors may have temporarily improved capacities, the results may not have been sustainable and in fact may have only further fragmented public administrations. This has also been noted in the performance audits by the Court of Auditors (e.g. 2016 Meta Audit on IPA I assistance) as well as in recent evaluations of past IPA support (e.g. Ex-post evaluation of EU assistance to Croatia in the period 2007-13). The risk for fragmentation can be effectively reduced by ensuring that the key cross-cutting elements applicable to whole administration (e.g. inclusive and evidence-based policy and legislative development, merit-based human resources management, managerial accountability, etc.) are addressed in EU funded sectoral projects. This action will aim to improve communication and enhance synergies with ongoing support to sector ministries. It will ensure close coordination with European Commission services and other donors or international organisations.
- Lack of reliable administrative data and statistics is a key bottleneck for ensuring evidence-based policy and legislative development. In the past IPA beneficiaries have developed public administration reform and sector reform strategies without fully reliable baselines, targets and indicators, creating therefore implementation delays and weak monitoring and reporting systems. This action will increasingly address the issue of administrative data and statistics as the basis of public administration reform and public financial management strategy development and monitoring. It will support IPA II beneficiaries to deepen the evidence base of domestic policies and strengthen instruments for monitoring of progress.
- The majority of IPA II beneficiaries have a legalistic culture, whereby the adoption of legislation is perceived as an objective in itself rather than an option to reach a desired policy objective. Implementation of adopted legislation, including the *acquis*, has often faced difficulties, mainly due to lack of systematic application of impact assessments and stakeholder consultations that would help to ensure the best possible legal option. While this action will continue to support with building capacity for impact assessments and consultations, it will not support with cyclical legislative reforms. The priority will be with activities that support with implementation of existing legislation and policies.

## 2. INTERVENTION LOGIC

OVERALL OBJECTIVE(S) / (IMPACT(S))	INDICATOR'S NAME	OBJECTIVELY VERIFIABLE INDICATORS			SOURCES & MEANS OF VERIFICATION	
		BASELINES (INCL. VALUE & REFERENCE YEAR)	MILESTONES (INCL. VALUE & REFERENCE YEAR)	TARGETS (INCL. VALUE & REFERENCE YEAR)		
<p>Long-term Overall objective: To improve public policy outcomes and services to citizens and businesses in the IPA II beneficiaries</p> <p>Intermediate Overall objective(s): To enhance capacity of public administrations in the IPA II beneficiaries to deliver improved policy outcomes and services</p>	<p>Percentage change from baseline in SIGMA indicator values (regional level) (2017 baseline)</p> <p>Citizen satisfaction level with administrative services from central government (average on 0-5 scale)</p>	<p>2017: 0</p> <p>2017: 2.9</p>	<p>2022: At least 2 beneficiaries show a 15% increase</p> <p>2022: 3</p>	<p>2024: At least 3 beneficiaries show a 15% increase</p> <p>2024: 3.1</p>	SIGMA monitoring report, including administrative data from beneficiary administrations and the RCC Balkan Barometer Public Opinion Survey	
<b>SPECIFIC OBJECTIVE(S) / OUTCOME(S)</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS (*)</b>				<b>SOURCES OF VERIFICATION</b>	<b>ASSUMPTIONS</b>
To improve performance of IPA beneficiaries' administrations in line with the Principles of public Administration in the six core public administration reform (PAR) areas (Strategic framework for public administration reform, Policy development and coordination, Public service and human resources management, Accountability, Service delivery, and Public financial management)	<p>Level of readiness of IPA beneficiaries on public administration reform in line with the Principles of Public Administration, based on:</p> <p>Number of fully or partially implemented recommendations of SIGMA monitoring reports</p>	<p>2017: Total number of recommendations 688 Albania: 109 Bosnia and Herzegovina: 95 Kosovo: 102 Montenegro: 113 Serbia: 105 North Macedonia: 90 Turkey: 74</p>	<p>At least 3 beneficiaries have initiated implementation or completed 15% of SIGMA 2017, 2018 and 2019 recommendations</p>	<p>At least 3 beneficiaries have initiated implementation or completed 30% of SIGMA 2017 recommendations</p>	<p>SIGMA monitoring reports PAR information system (PAR.IS) government monitoring reports on implementation of the beneficiary PAR/PFM strategies and Action Plans Minutes of the meetings of PAR Special Groups and PFM Policy Dialogues SIGMA mission reports</p>	<p>Continued ownership and political commitment by IPA II beneficiaries to public administration reform to make progress towards European values and principles.</p>
<b>OUTPUTS</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS (*)</b>	<b>BASELINE</b>	<b>MILESTONES (2022)</b>	<b>TARGETS (2024)</b>	<b>SOURCES OF VERIFICATION</b>	<b>ASSUMPTIONS</b>
<b>Output 1</b> IPA II beneficiary administrations' progress with the implementation of PAR/PFM assessed against the Principles of Public Administration and follow-up ensured	<p>Principles of Public Administration and the corresponding measurement framework further updated, possibly also including good governance elements at sub-national levels of government</p> <p>Number of SIGMA monitoring reports against the Principles of Public Administration</p>	<p>2017 Principles of Public Administration and corresponding measurement framework</p> <p>11 monitoring reports (2019 (PAR areas covered, one report means one area in one</p>	<p>Updated Principles of Public Administration and proposals for corresponding measurement framework</p> <p>5 assessment monitoring reports (PAR areas covered in</p>	<p>Updated Principles of Public Administration and corresponding measurement framework</p> <p>10 assessment monitoring reports (PAR areas covered in IPA beneficiaries, one</p>	<p>SIGMA activity reports SIGMA regular Assessment Reports  SIGMA thematic papers/studies, SIGMA website  SIGMA website</p>	<p>Capacity of Partners to absorb and integrate advice and recommendations into their systems and transform policy analysis and proposals for policy design into their owned reform process.</p> <p>Beneficiary institutions support the performance assessment</p>



		beneficiary)	IPA beneficiaries, one report means one area in one beneficiary)	report means one area in one beneficiary)		and monitoring process. demonstrate the benefits of a performance assessment based on a clear analysis framework and performance indicators
	Number of SIGMA thematic papers/studies produced, presented and discussed	1 (2019)	2	5		
	Number of seminars/conferences/workshops organised	47 (2019)	60	120		
	Number of regional seminars/conferences organised	2 (2019)	2	5		
	Number of PAR Special Group meetings supported in their preparation, discussions and follow-up	100%	100%	100%	PAR Special Group and PFM Policy dialogue briefings, minutes and operational conclusions	
<b>Output 2</b> Support provided to beneficiary institutions with upgrade and implementation of PAR/PFM strategies and action plans and with implementation of SIGMA recommendations	PAR/PFM related strategies/action plans and related monitoring systems reviewed/ supported in their development	2019: 5	7	9	PAR and PFM Strategies and Action Plans	
	Number of thematic in-beneficiary concept papers/studies/guidance documents/analysis produced addressing the needs of PAR/PFM bodies responsible for PAR coordination and/or different PAR/PFM areas	20 (2019)	40	80	SIGMA monitoring reports, SIGMA activity reports, SIGMA mission reports	
	Percentage change in implementation rates for PAR/PFM strategies	2017: Albania: 44,38% Bosnia and Herzegovina: N/A Kosovo: 22% Montenegro: 35,7% Serbia: 33,98%\ North Macedonia: N/A Turkey 54%	At least 2 beneficiaries show a 10% increase in implementation rates	At least 3 beneficiaries show a 15% increase in implementation rates		
<b>Output 3</b> Institutions with horizontal responsibilities for PAR coordination and line institutions supported in the gradual integration of key Principles of Public Administration in sector work	Number of conferences/ workshops/ roundtables/ training/ seminars delivered focusing on PAR/PFM implementation at line institution level	3	4	8	SIGMA monitoring reports	
	Number of thematic papers/toolkits produced addressing the needs of PAR/PFM bodies responsible for PAR coordination and sector institutions	1 (2018)	2	3	SIGMA mission reports & SIGMA activity reports	
	Number of PAR/PFM policy dialogue meetings involving line institutions supported in their preparation, discussions and follow-up	0 (2019)	3	5		

## DESCRIPTION OF ACTIVITIES

The overall objective of the action is to improve public policy outcomes and services to citizens and businesses in the IPA II beneficiaries. More specifically, the action aims to improve the IPA II beneficiaries' performance in six key horizontal governance and public administration reform areas defined by the Principles of Public Administration (strategic framework for public administration reform, policy development and coordination, public service and human resource management, accountability, service delivery and public financial management). SIGMA action will contribute to the improvement of the overall functioning of public administration in the IPA II beneficiaries.

In particular, SIGMA will perform the following indicative activities:

**O.1** – IPA II beneficiary administrations' progress with the implementation of PAR/PFM assessed against the Principles of Public Administration and follow-up ensured.

- In collaboration with the Commission services, update the Principles of Public Administration and the corresponding measurement framework, possibly also including good governance elements at sub-national levels of government;
- Assess reform progress in the IPA II beneficiaries by applying the PAR methodological framework for the Principles of Public Administration;
- Organise regional seminars/conferences to disseminate findings and ensure follow up to monitoring reports;
- Prepare SIGMA thematic papers/studies on the basis of the findings of the monitoring reports;
- Support with preparation and implementation of the policy dialogue meetings (PAR Special Groups) based on the findings of the monitoring reports.

**O.2** Support provided to beneficiary institutions with upgrade and implementation of PAR/PFM strategies and action plans and with implementation of SIGMA recommendations.

- Review of PAR/PFM strategies and/or action plans and analytical work, advice and capacity building activities to strengthen PAR/PFM coordination and monitoring mechanisms
- Provide analytical support, advice and capacity building support to key stakeholders following SIGMA recommendations:
  - to improve inclusive and evidence-based policy development and coordination and monitoring mechanisms, with specific attention to gender, environmental issues and vulnerable groups as cross-cutting priorities during the strategic planning processes;
  - to put in place and strengthen implementation of a coherent and appropriate general administrative procedures;
  - to rationalise and strengthen the administrative structure in terms of size, coordination mechanisms, autonomy and political mandate and financial and human resources;
  - to implement professional and merit-based civil service system;
  - to support mechanisms for improved internal and external accountability of central administration bodies;
  - to strengthen the PFM systems, including budget preparation, budget execution with cash management, public internal financial control system, public procurement, accounting and reporting, and external audit;

**O.3** – Institutions with horizontal responsibilities for PAR coordination and line institutions supported in the gradual integration of key Principles of Public Administration in sector work

- Provide analytical support, advice and capacity building support to partner institutions with implementation of the key Principles of Public Administration in sector work:
  - to strengthen sector strategic planning, monitoring and reporting in coordination with institutions in charge of strategic planning coordination and quality control;
  - to improve coordination and quality control procedures and line ministry outputs related to inclusive and evidence-based policy and legislative development;
  - to support implementation in the field of public service and human resource management;
  - to address accountability of public administration at the level of identified line institutions;
  - strengthening service delivery to citizens and businesses in specific line institutions;
  - supporting and promoting sound public financial management systems and procedures.
- Organise workshops and seminars that focus on PAR/PFM implementation at line institution level;
- Help the Centre of government organisations in linking their work with line institutions by providing advice on improving their work processes and quality check functions on horizontal aspects of PAR/PFM.
- Prepare SIGMA thematic papers/studies/guidance documents to support PAR /PFM coordinators, relevant central institutions in charge of different aspects of PAR/PFM and sector institutions;
- Support with preparation and implementation of the PAR/PFM policy dialogue meetings involving line institutions

## **RISKS**

The main risk for the success of the action relates to the level of political commitment to PAR. To overcome this challenge, the European Commission and SIGMA are committed to continuously raise awareness on importance of PAR and engage with a broader range of stakeholders, including civil society, who can support and enhance awareness on importance of PAR. The European Commission and SIGMA will continuously engage with the IPA II beneficiaries in the high-level policy dialogue in the PAR Special Groups and other policy fora.

A second risk relates to the capacity of the IPA II beneficiaries to absorb and integrate advice and recommendations. To address this risk, SIGMA will ensure that capacity building support is in line with the strategic priorities of the IPA II beneficiaries and that the activities pursue timetable. Moreover, SIGMA and the European Commission will ensure sufficient flexibility to respond to rising demands for assistance from IPA II beneficiaries or to changes in the priorities of an IPA II beneficiary, as well as to ensure high coherence between assessment results, technical assistance and other European Commission instruments. In addition, the European Commission and SIGMA will make all necessary efforts to ensure coordination with other donors, thus promoting a coherent approach and avoiding duplication.

## **CONDITIONS FOR IMPLEMENTATION**

The coordinating institutions for management of specific public administration core areas are in place in all IPA II beneficiaries. As indicated above, a condition for the effective and timely delivery of SIGMA support is political and administrative commitment to good governance in IPA II beneficiaries, and, to the extent possible, commitment to PAR/PFM reform in line with the Principles of Public Administration. Most IPA II beneficiaries have already advanced adopted PAR/PFM reform strategies. SIGMA activities will be nevertheless adapted to the specific contexts in each IPA II beneficiary.

SIGMA and the European Commission will work continuously throughout the duration of this action on awareness raising, engaging with a broad range of stakeholders as well as, under the leadership of the European Commission, engaging in high-level policy dialogues and PAR Special Groups to ensure this action supports the IPA II beneficiaries to implement PAR. These fora create a platform for stock-taking and monitoring, thereby further ensuring the implementation of the SIGMA activity is relevant and adjusted to possible new needs in the beneficiaries' administrations.

### **3. IMPLEMENTATION ARRANGEMENTS**

#### **ROLES AND RESPONSIBILITIES**

The action is implemented by the OECD. The team will be composed of a core of OECD staff, which will have extensive professional experience and knowledge of EU Member States administrations, with special regards to the 6 PAR core areas.

Since SIGMA is a joint initiative of the OECD and the EU, management and implementation responsibilities are shared between the OECD and Directorate-General for Neighbourhood and Enlargement Negotiations Unit A.3. The OECD and the European Commission will inform each other about the persons appointed within the institutions to manage this action.

Since 1992, SIGMA has embodied the commitment of the European Commission to co-operate with the OECD in order to promote better public governance in the enlargement context. The successive SIGMA programmes have been repeatedly evaluated (in 2007 and 2012) with a positive track record in terms of efficiency, quality, effectiveness and sustainability of results and IPA II beneficiaries have always expressed a high level of satisfaction due to its high level of relevance, flexibility and quality of expertise delivered.

The Framework Administrative Agreement between the European Union and the Organisation for Economic Co-operation and Development (OECD) regulate their relations with reference to actions administrated by the OECD and funded or co-funded by the European Union. The provisions of the European Commission / OECD Framework Administrative Agreement applies. However, due to the specificity of the SIGMA programme, the full cost of staff dedicated to SIGMA, including support and management staff, are considered as direct eligible costs.

Prioritisation of activities will take place in close co-ordination with the European Commission according to the concrete needs of each IPA II beneficiary. In line with the priorities defined together with the European Commission and with the IPA II beneficiaries, SIGMA will develop detailed action plans for each IPA II beneficiary and regional activities, specifying results, activities and output and outcome indicators. Unit A.3 in the Directorate-General for Neighbourhood and Enlargement Negotiations will consult the SIGMA action plans with relevant geographical units in the Directorate-General for Neighbourhood and Enlargement Negotiations, with the EU Delegations/offices in the IPA II beneficiaries and the relevant line Directorate-Generals. SIGMA will be involved in this consultation process. Moreover, the Directorate-General for Neighbourhood and Enlargement Negotiations, Unit A.3 will ensure coordination with the Directorate-General for Neighbourhood and Enlargement Negotiations, Unit C.3 in order to strengthen the integration of the different Institution Building instruments, involving SIGMA where necessary.

SIGMA will work closely with the geographical units at European Commission Headquarters, in addition to maintaining close relations with the EU Delegations/offices and line Directorate-Generals. Ad hoc coordination and management meetings will be organised between SIGMA and Unit A.3,

including geographical units where relevant. SIGMA will design and implement specific activities under this action in close collaboration with the main stakeholders and institutions that will benefit from this action, namely the central institutions responsible for the overall public administration reform management and coordination in charge of the specific public administration reform areas of policy development and coordination, public service and human resources management, accountability, service delivery and public financial management, independent institutions, and the Parliament (within the scope of their scrutiny and oversight powers). Since the organisation of administration varies among the IPA II beneficiaries, the exact nature of coordination and collaboration between SIGMA and the IPA II beneficiary institution(s) is conducted on a case-by-case basis; generally support and advice is given to already existing structures and in terms of strengthening EU cooperation framework such as PAR Special Groups and policy dialogues.

#### **METHOD(S) OF IMPLEMENTATION AND TYPE(S) OF FINANCING (SEE ANNEX IMPLEMENTATION – BUDGET)**

The action will be implemented in indirect management with the OECD. The contract for a maximum EU contribution of EUR 15 000 000 is to be signed by Q1 2021 with the starting date of activities planned for July 2021. The early signature of the contract will ensure a mid-term contractual perspective to SIGMA core staff, thus helping OECD/SIGMA to retain the most experienced experts. The indicative duration of the contract is 36 months.

## **4. PERFORMANCE MEASUREMENT**

#### **METHODOLOGY FOR MONITORING (AND EVALUATION)**

The European Commission may carry out a mid-term, a final or an ex-post evaluation for this action or its components via independent consultants, through a joint mission or via an implementing partner. In case a mid-term or final evaluation is not foreseen, the European Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

Where an evaluation is to be contracted by the European Commission: The European Commission shall inform the implementing partner in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the IPA II beneficiary and other key stakeholders. The implementing partner and the European Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the IPA II beneficiary, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the action.

The evaluations will be carried out as prescribed by the Directorate-General for Neighbourhood and Enlargement Negotiations Guidelines on linking planning/programming, monitoring and evaluation<sup>4</sup>. It is recommended that a Reference Group comprising the key stakeholders of this action be set up to steer

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<sup>4</sup> [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/near\\_guidelines.zip](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/near_guidelines.zip)

the evaluation process and ensure the required quality level of the evaluation outputs as well as the proper follow-up of the recommendations of the evaluation. In addition, the action might be subject to external monitoring in line with the European Commission rules and procedures. SIGMA shall perform effective and regular monitoring of the action in order to assess interim progress at a programme level, identify areas of failure and their reasons, and any immediate action to be taken to improve programme performance further. Here as well the Directorate-General for Neighbourhood and Enlargement Negotiations Guidelines on linking planning/programming, monitoring and evaluation should be considered.

SIGMA shall provide 18-monthly substantive reports of the action on progress achieved, based on objectives envisaged in the SIGMA action plans, covering action outputs and outcomes.

SIGMA will regularly transmit to the European Commission relevant information of its activities to assist in ensuring the appropriate visibility and co-ordination of the action. SIGMA will ensure that the relevant European Commission services are kept informed of all developments. Information on all movements (staff and consultants) in beneficiary entities will be systematically communicated to the European Commission.

SIGMA will support mid-term and final evaluations of the results achieved that the European Commission could entrust to independent consultants.

The Directorate-General for Neighbourhood and Enlargement Negotiations, Unit A.3 will evaluate progress in the achievement of expected results on the basis of indicators outlined in this action document and in each action plan. The regular SIGMA assessments, in complementarity with the European Commission's appreciation, are crucial for evaluating SIGMA impact and the actual improvement of the IPA II beneficiaries' performance in the key horizontal governance and public administration reform fields.

## **5. CROSS-CUTTING ISSUES**

### **GENDER MAINSTREAMING**

SIGMA long-term goal is to improve public policy outcomes and services for all citizens. Strengthening public governance is key to delivering gender equality results. Meaningful changes on the ground require a coordinated, competent and powerful whole-of-government commitment, and clear and effective mechanisms in place within and across government institutions to be able to translate public policies, programmes, services and budgets into concrete benefits for both men and women.

In line with the Better Regulation agenda, this action will promote an evidence-based and inclusive approach in policy-making, which implies that statistics and administrative data at IPA II beneficiary level should systematically inform gender sensitive reforms and that men and women can equally participate in decision-making. SIGMA actions in the area of policy-development and coordination will promote that gender-sensitive considerations are taken into account in all analyses and in assistance in policy and legislative development, and gender is mainstreamed in all activities and deliverables related to the implementation of this action.

Furthermore, SIGMA work in the area of civil service and HRM focuses on the development of a merit-based civil service system, including transparency, de-politicisation and meritocratic recruitment processes, which contributes towards a public administration that adheres to principles of equal opportunities and enacts anti-gender based discrimination policies.

## **EQUAL OPPORTUNITIES**

Lack of good governance and public administration reform hamper equal opportunities for women and men. SIGMA will ensure equal opportunity of participation in action activities to everybody; in addition, to the extent that the action addresses issues where gender may be directly relevant (e.g. civil service law), SIGMA will ensure that its advice is consistent with this cross-cutting principle.

## **MINORITIES AND VULNERABLE GROUPS**

To the extent that the action 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). In addition, SIGMA will ensure opportunity of participation in project activities to all civil servants disregarding ethnic or vulnerable groups they belong to.

While Roma is not specifically identified in this AD, the assessments against the Principles of Public Administration and SIGMA capacity building support address rights of vulnerable groups in general, including those of Roma. The action aims to support with creation of the overall general normative and legislative framework as well as support with implementation of legislation in IPA II beneficiaries that ensures that public administration ensures the rights of vulnerable groups. With SIGMA support to improve quality of impact assessments of draft legislation (including impact of specific legislation on vulnerable groups), general citizens' rights to good administration, access to administrative justice, access to administrative services, etc., the rights of Roma are being addressed in this action.

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

The action will make every effort to encourage domestic reform actors to consult widely, for example consulting with business associations on policy to simplify administrative procedures. Likewise, the action will contribute to promote the "Better Regulation Agenda" which, among other issues, advocates for appropriate involvement of non-governmental stakeholders in developing, monitoring and implementing public policies and legislation. In order to increase ownership by the IPA II beneficiaries and stimulate a need for governance and PAR, the action will target non-governmental stakeholders such as NGOs, business representatives, the media and concerned citizens.

Such efforts should be coordinated with initiatives funded under the IPA Civil Society Facility, such as e.g. the WeBER project, which aims to strengthen the capacity of civil society to monitor and engage in dialogue on key public sector reforms in accordance with the Principles of Public Administration.

## **ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)**

Environmental objectives are not directly targeted by this action. However, to the extent that the action addresses the horizontal policy and legislative development process, it will have positive effects on the capacity of the IPA II beneficiaries to align their legislation with the EU environmental *acquis*. In this regard, the action will promote and advocate the better regulation approach, which focuses on inclusive and evidence-based law- and policy-making process. It aims to ensure that "policy is prepared, implemented and reviewed in an open, transparent manner, informed by the best available evidence and backed up by involving stakeholders".

In addition, the action will contribute to professionalization of the civil service and to improvements in the organisation of the administration as a whole. This will have a positive effect in terms of quality of legislation and strategies and their proper implementation in all sectors.

Climate action relevant budget allocation: EUR 0 million
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## **6. SUSTAINABILITY**

Sustainability ultimately depends on the determination of authorities to implement the reforms, but SIGMA's close collaboration with the European 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. SIGMA approach promotes intensive learning experiences that have a lasting impact on stakeholders and lay the foundation for sustainable change.

SIGMA is characterised by long-term and close working relationships and partnership with key institutional stakeholders at different hierarchical levels. Activities undertaken under SIGMA will be agreed with the IPA II beneficiaries and will be structured so as to ensure ownership by the IPA II beneficiaries of the interventions: SIGMA will provide advice and assist development of policy options instead of drafting legislation and policy documents for the IPA II beneficiaries. Evidence from the past and current experience show that SIGMA technical advice is not automatically accepted and that exchange of ideas and approaches often results in a compromise, ultimately ensuring ownership.

Actual legal drafting will be mainly done by the beneficiaries; SIGMA experts will support them with 'options analysis', regulatory impact assessments, concept papers, etc. prior to supporting them with drafting of legislation/ amendments. Even if some drafting is done by experts, it will be paired with capacity building (e.g. detailed explanation of proposed texts, comparison among international examples, etc.).

Written procedural manuals or guidelines prepared in the framework of this action s will be simple enough to be regularly updated and changed by the staff of the respective organisations without further external support; any guidelines or procedures developed with the support of the action will not contradict with any legal provision of the IPA II beneficiaries.

Activities will be designed to ensure that the IPA II beneficiaries' capacity constraints have been taken fully into account and political backing for reform will be continuously evaluated in cooperation with the European Commission. Activities will be monitored and discussed with the European Commission to identify situations where risks to sustainability exist, in order to collaborate with the European Commission to mitigate these risks, including by identifying them in future progress reports and action plans. In order to foster sustainability, follow-up opportunities will be identified for other EU instruments, where appropriate.

## **7. COMMUNICATION AND VISIBILITY**

Communication and visibility will be given high importance during the implementation of the action. The implementation of the communication activities shall be funded from the amounts allocated to the action. All necessary measures will be taken to publicise the fact that the action has received funding from the EU in line with the EU communication and visibility requirements in force.

Visibility and communication aspects shall be complementary to the activities implemented by the Directorate-General for Neighbourhood and Enlargement Negotiations and the EU Delegations/Office in the field. It is the responsibility of the implementing partner(s) to keep the EU Delegations/Office and



the European Commission fully informed of the planning and implementation of the specific visibility and communication activities.

The entrusted entities and the European Commission's actions should ensure donor visibility and give more visibility to the objectives and results achieved. Actions should ensure that all relevant stakeholders, and where possible also final beneficiaries, are informed about donors' involvement, joint actions and their results.

Actions should aim to show the link between the funds invested and the policy priorities behind them.

When relevant, the communication and visibility plan will be based on an agreed communication narrative and master messages customised for the different target audiences (stakeholders, business community, civil society, general public, etc.). Effectiveness of communication activities will be measured *inter alia* through public surveys in the IPA II beneficiaries on awareness about the programme, its objectives and EU funding.