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THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX VII

of the Commission Implementing Decision on the financing of the 2022 action plan part I in favour of the Regional South Neighbourhood

Action Document for Support for Improvement in Governance and Management (SIGMA) Neighbourhood East and South

ANNUAL ACTION PLAN

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plan/measure in the sense of Article 23(2) of NDICI-Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

1. Title CRIS/OPSYS Basic Act	“Support for Improvement in Governance and Management (SIGMA) Neighbourhood East and South” for 2022-2025 OSPYS Business Reference: ACT-60861 CL1: JAD.974923 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe).
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out in Neighbourhood countries. As per Art. 43(1) of the Regulation (EU) 2021/947 the action will cover the following countries: Southern Neighbourhood: Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine ¹ , Tunisia Eastern Neighbourhood: Armenia, Azerbaijan, Georgia, Republic of Moldova ² , Ukraine
4. Programming document	Multi-annual Indicative Programme for the Southern Neighbourhood (2021-2027) ³ Regional Multiannual Indicative Programme for the Eastern neighbourhood 2021-2027 ⁴

¹ This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

² hereinafter referred to as Moldova.

³ Commission Implementing Decision adopting a multiannual indicative programme for the Southern Neighbourhood Region for the period 2021-2027 C(2021) 9399

⁴ C(2021) 9370 adopted on 15/12/2021

5. Link with relevant MIP(s) objectives/expected results	East: PROGC-10444: Accountable institutions, the rule of law and security South: This action contributes to the 2021-2027 Multiannual Indicative Programming's objectives under the Support Measures (OPSYS PROGC 10500)			
PRIORITY AREAS AND SECTOR INFORMATION				
6. Priority Area(s), sectors	150 - Government and civil society & 430 - Other multisector			
7. Sustainable Development Goals (SDGs)	Main SDG: 16 Other significant SDG: 17			
8 a) DAC code(s) ⁵	15110 Public sector policy and administrative management			
8 b) Main Delivery Channel @	47080 - Organisation for Economic Co-operation and Development (Contributions to special funds for Technical Co-operation Activities)			
9. Targets⁶	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development ⁷ <input type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Human Rights, Democracy and Governance ⁸			
10. Markers ⁹ (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

⁵ DAC sectors (codes and descriptions) are indicated in the first and fourth columns of the tab 'purpose codes' in the following document: <http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/dacandcrscodelists.htm>

⁶ Actual contribution to targets will be confirmed ex-post based on a standardised methodology.

⁷ For the Neighbourhood, activities related to education shall be marked as part of the "Social Inclusion and Human Development" target, in line with the NDICI-GE programming guidelines.

⁸ Thematic target for geographic programmes (at least 15%) in delegated act.

⁹ For guidance, see <https://www.oecd.org/development/financing-sustainable-development/development-finance-standards/> (go to "Data collection and resources for reporters", select Addendum 2, annexes 18 (policy) and 19 (Rio) of the reporting directive). If an action is marked in the DAC form as contributing to one of the general policy objectives or to RIO principles as a principal objective or a significant objective, then this should be reflected in the logframe matrix (in the results chain and/or indicators).

	RIO Convention markers @	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers¹⁰	Policy objectives	Not targeted	Significant objective	Principal objective
	<u>Digitalisation @</u> Tags: digital connectivity digital governance digital entrepreneurship job creation digital skills/literacy digital services	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	<u>Connectivity @</u> Tags: transport people2people energy digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	<u>Migration @</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	COVID-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	BUDGET INFORMATION			
12. Amounts concerned	Total estimated cost: EUR 9 330 717 Total amount of EU budget contribution: EUR 9 000 000 of which EUR 5 000 000 for Neighbourhood South from budget line 14.020110 EUR 4 000 000 for Neighbourhood East from budget line 14.020111 This action is co-financed by: - OECD for an amount of EUR 330 717			
MANAGEMENT AND IMPLEMENTATION				
13. Implementation modalities (type of financing and management mode)	Project Modality Indirect management with OECD			

¹⁰ These markers have a different scope/rationale than the DAC codes. They are drawn from the level of budget allocation and emphasis given to the action in terms main objective(s) selected. This section should be in line with the definition of objectives, results, activities in description of the action.

1.2. Summary of the Action

The overall objective of this Action is to achieve better and more resilient public governance systems in the NDICI beneficiaries to deliver improved policy outcomes and public services to its citizens. Through this action, the NDICI beneficiary countries will increase the knowledge and application of European principles of good governance in the areas of policy development and coordination, public service and human resource management, accountability, service delivery and public finance management within the overall framework of the Principles of Public Administration.

The Action will be implemented through the programme Support for Improvement in Governance and Management (SIGMA) - a joint initiative of the European Union (EU) and the Organisation for Economic Co-operation and Development (OECD). SIGMA will contribute towards strengthening the public administrations in the Neighbourhood countries through targeted activities focused on experience sharing and strengthening of administrative capacities, thereby increasing transparency, accountability, responsiveness and participation and provide quality policy outcomes supporting socio-economic development. This supports the general policy objective of strengthening good governance and is contributing to the United Nations' 2030 Agenda for Sustainable Development and its Sustainable Development Goals, specifically towards goal 16 (promotion of peaceful and inclusive societies, the provision of access to justice for all, and building effective, accountable institutions at all levels).

This Action is programmed under the Regional Multiannual Indicative Programme for the Eastern neighbourhood 2021-2027 and under the Multiannual Indicative Programme for the Southern Neighbourhood Region for the period 2021-2027. Therefore, the present action will cover both the Neighbourhood East and South.

2. RATIONALE

2.1. Context

The EU policy framework recognises the importance of Public Administration Reform (PAR). It remains a key priority in strengthening states' capacity to govern in a context of fragility and is a cross-cutting issue of fundamental importance for success in political and economic reforms and building a basis for implementing good governance standards. The quality of administration directly impacts governments' ability to provide public services, to prevent and fight against corruption and to foster competitiveness and growth. An accountable public administration, both at central and local level, is a key to democratic governance and inclusive economic development. PAR is about strengthening democratic and independent institutions, developing local and regional authorities, the development of a professional, depoliticized and accountable civil service, developing eGovernment and increasing institutional transparency and accountability; improving capacity in policy development, service delivery and management of public finances, and supporting the work of national parliaments.

The review of the ENP in 2015 highlighted the need for a stronger partnership with the EU Neighbourhood region as global threats need to be tackled by the international community in a united manner. The stabilisation of the Neighbourhood has become one of the pressing challenges of the EU. Poverty, inequality, corruption, poor governance, and weak economic and social development are sources of instability. The focus on an accountable public administration as key to democratic governance and economic development in the new

ENP is in line with the United Nations' 2030 Agenda for Sustainable Development and its Sustainable Development Goals. Goal 16 is specifically about the promotion of peaceful and inclusive societies, the provision of access to justice for all, and building effective, accountable institutions at all levels. The SIGMA programme will work under the assumption that the Neighbourhood countries remain committed to their overall reform paths as an effective, responsive, and accountable public administration does not only create a favourable environment to stimulate economic growth, social cohesion and environmental protection – the three pillars of Sustainable Development - it is also a critical participant and determinant of crucial functions such as delivery of services including education, health, water, energy, justice, law, etc. without which the SDGs cannot be achieved. For this reason, developing capacity of public administration in all countries is paramount.

The Joint Communications *Eastern Partnership policy beyond 2020: Reinforcing Resilience - an Eastern Partnership that delivers for all*¹¹ and the 2021 *Renewed partnership with the Southern Neighbourhood: A new Agenda for the Mediterranean*¹² recognise good governance and accountable institutions as key for resilience, inclusive societies and for ensuring economic development and investment. In the Neighbourhood South, the EU is committed to supporting democratic governance and the systems of a responsive state, accountable institutions and the fight against corruption. Under the overall policy objectives for the Neighbourhood East, the EU will support inclusive and evidence-based policy development, as well as sound public financial management, with the aim of improving services to people and businesses.

With the support of the EU, countries of the Eastern Partnership have invested efforts in improving and strengthening their public administrations, as well as making them more aligned with the Principles of Public Administration¹³. Some of these efforts had been guided by dedicated comprehensive PAR strategies covering a wide array of areas, while some have been targeting only certain aspects, primarily in the areas of service delivery and public service and human resource management. While achieved results have been a mixed success, there is now more understanding, including through political prioritisation, that modernisation of public administration is an important pre-requisite for any country to be able to carry out reforms in any sector.

Countries of the Neighbourhood South have seen a lower level of application of the Principles of Public Administration and European standards of good governance with respect to their specific circumstances and administrative cultures, but have nevertheless addressed the modernisation and strengthening of their public administrations with the help of the EU. Many efforts went into the improvement of public services for citizens and especially businesses as well as simplification of administrative procedures and digitalisation, but also public financial and human resource management and a better organisation of state bodies and strengthened policy making. In the recent past, several countries have established high level committees or other bodies to advise on the reform, strengthening and modernisation of their public administrations, clearly demonstrating the wish for a more government wide approach and strengthened focus on real implementation.

The action will seek complementarity with other institution-building tools available in the EU Neighbourhood, notably Twinning, TAIEX, technical assistance and budget support operations. Such complementarity will be ensured through co-ordination with the Programme Administration Offices (PAOs) and the EU Delegations of the beneficiary countries, particularly when the country benefits from assistance in the domains of PAR and public financial management (PFM). The combination of long-term and short-term assistance that the European Commission can deploy in supporting the beneficiary countries in reforming their governance

¹¹ [Joint communication to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, Eastern Partnership policy beyond 2020 Reinforcing Resilience - an Eastern Partnership that delivers for all \(2020\)56](#)

¹² [Joint communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Renewed partnership with the Southern Neighbourhood A new Agenda for the Mediterranean \(2021\)23](#)

¹³ [Principles of Public Administration - OECD \(sigmaweb.org\)](#)

systems has proven to be an efficient approach in implementing EU support to partner countries and progressing towards the agreed objectives.

2.2. Problem Analysis

Generating credible and relevant policy options remains a challenge. The main shortcomings relate to the lack of proper policy analysis capacities, poor quality of legislative drafting and policy development, poor inter-ministerial co-ordination, inadequate public consultation and weak fiscal and regulatory impact assessments. In addition, costs for implementation of policies are not systematically calculated and budgeted. These elements largely explain why the beneficiaries continue to suffer from poor implementation and enforcement record of laws and policies.

During the last years, countries of the Eastern Partnership have been working on the implementation of public administration reforms, but not always in a comprehensive and coherent way. More attention has been paid to some areas, e.g. service delivery and public service and human resource management, while others have been neglected. Currently, only Ukraine and Azerbaijan have planning documents setting out policy objectives in the area of PAR, while Armenia, Georgia and Moldova are working on those.

There has been mixed success during implementation of the PAR, partly because of limited capacities available for the countries, and partly because of the sometimes too over-ambitious planning of reforms. However, countries of the region have managed to implement certain reforms and achieve small, but consistent progress in some areas, especially service delivery.

This situation is mirrored by the experiences in the Neighbourhood South region, where countries usually do not apply a holistic approach to PAR but rather focus on specific areas, such as service delivery and digitalisation, areas in which some good results have been achieved in some countries. In the Neighbourhood South, where administrative and political capacity is limited for the design and implementation of PAR, there is a tendency to design and ask for EU support for too ambitious reforms, looking at advanced solutions of more developed countries rather than trying to address the specific problems and challenges of their own administrations.

There is a difficult context for a professional, meritocratic, de-politicised, reliable public administration to emerge. Civil service reform efforts have not yet had the desired effect of reducing politicisation and other distortions such as personalisation of power and patronage. A professional class of permanent civil servants, upon which holders of public office rely and which can exercise a check on power, has not emerged yet. Corruption remains a problem in both the political sphere and public administration.

The overall administrative architecture is fragmented, leading to a proliferation of agencies with various accountability lines and other dysfunctions. Often, basic functions of the state are not fully assured, severe co-ordination problems are frequent and administrative procedures tend to be sector or law specific, although there are increasing initiatives to introduce general laws on administrative procedures.

Resource allocation lacks transparency, ministries have very limited capacities to plan and contribute to this. National budgets are not understood as policy instruments and sound, effective management of public finances is not always seen as an important part of public administration. The system of managerial responsibility and delegation of authority, a core principle of sound financial management, has not been properly developed. In most policy domains, financial impact assessments are not carried out yet.

The main stakeholders are the state institutions responsible for reforms of public administration, as well as the state structures in charge of co-ordination among institutions, independent bodies and the Parliament within the scope of their scrutiny and oversight powers. The actual organisation varies according to the assignment of responsibilities at the level of each NDICI beneficiary. An illustrative list is provided hereafter:

- Ministries and offices of the minister responsible for co-ordination of reforms of public administration and public administration development, such as: Ministry of Public Administration, Ministry of Interior, Office 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, Public Procurement Authorities, Parliaments.
- Line Ministries may also be involved as beneficiaries to pilot PAR-related assistance which may lead to horizontal reform measures.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to achieve better and more resilient governance systems in the NDICI beneficiary countries to deliver improved policy outcomes and public services to its citizens.

The Specific Objective (Outcome) of this action is to

1. Increase the knowledge and application of European principles of good governance in the areas of policy development and coordination, public service and human resource management, accountability, service delivery and public finance management within the overall framework of the Principles of Public Administration

The Outputs to be delivered by this action contributing to the corresponding Specific Objective (Outcome) are

- 1.1 Beneficiary institutions in the NDICI region have actively used opportunities for experience sharing in development and implementation of policies in the areas of PAR and PFM;
- 1.2 Administrative capacities of beneficiary public administrations in the NDICI region have been strengthened in the public governance domain, including the ability to respond to emergency situations

3.2. Indicative Activities

Activities related to Output 1.1:

SIGMA will organise regional seminars and conferences as platforms for countries of the region to discuss the most important issues linked with public administration reforms. SIGMA will also engage in the elaboration of regional studies and papers on specific topics linked with public administration policy providing for a comparative view of the region, identifying key challenges and providing recommendations on how to overcome those.

Activities related to Output 1.2:

SIGMA will provide various bi-lateral seminars, conferences, workshops as part of supporting beneficiary institutions in developing, implementing and monitoring reforms, as well as building capacities of institutions to carry out these tasks, including the provision of rapid support on an *ad-hoc* and demand-driven basis. SIGMA will also elaborate specific concept papers, studies, guidance documents, analysis, opinions and comments to address the needs of PAR/PFM bodies.

3.3. Mainstreaming

Environmental Protection, Climate Change and Biodiversity

Environmental objectives are not directly targeted by this action. However, the action will have positive effects in terms of quality of legislation and strategies and their proper implementation in all sectors, including environment and related areas. In fact, according to the better regulation approach, SIGMA will support the quality of impact assessments, including fiscal, regulatory and environmental impacts.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that a gender perspective will be maintained ensuring that the results of the action affects positively on gender equality. The action will ensure that its advice is consistent with equal opportunities and non-discrimination principles in all relevant areas, in particular on policy development, human resources management and service delivery, and will therefore contribute to mainstream gender consideration across public administration. Gender-sensitive considerations will be taken into account in all analyses and in assistance in policy and legislative development and gender will be mainstreamed in all activities and deliverables related to the implementation of this action. The development of a merit-based civil service system, including transparency, de-politicisation and meritocratic recruitment processes can have a positive influence on gender equality and contribute to move towards a Public Administration where it is possible for both women and men to enter and develop within administrations on an equal basis. SIGMA will ensure equal opportunity of participation in action activities to everybody and will strive to integrate the gender dimension in all its actions. Where gender may be directly relevant (e.g. civil service issues, service delivery), SIGMA will ensure that its advice is consistent with this cross-cutting principle.

Human Rights

This action will contribute to more effective and sustainable public governance and stronger public administrations at all levels in the region so that they correspond to universal values of human rights.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that this action does not focus on disability as a significant objective. However, the action will have positive effect in terms of quality of legislation and strategies and their proper implementation in all sectors, including disability. To the extent that the action addresses disability-related issues (e.g. civil service issues, service delivery) it will ensure that its advice is consistent with non-discrimination principles.

Democracy

This action will support accountable public administrations, both at central and local level, which is key to democratic governance and inclusive economic development. PAR is about strengthening democratic and independent institutions, developing local and regional authorities, depoliticising the civil service, developing eGovernment and increasing institutional transparency and accountability; improving capacity in policy development, service delivery and management of public finances, and supporting the work of national parliaments.

Other considerations

The action will make every effort to encourage national reform teams to consult widely, for example consulting with civil society organisations and 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-state stakeholders in developing, monitoring and implementing public policies and legislation. In order to increase ownership by the ENI beneficiaries and stimulate a need for governance and PAR, the action will target non-state actors such as non-governmental organisations, business representatives, the media and concerned citizens.

3.4. Risks and Lessons Learned

Category	Risks	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Mitigating measures
Geopolitical situation	Large scale destabilising events	High	High	SIGMA will continue its engagement with beneficiaries to support them in finding best solutions for strengthening the resilience of their public administrations during crisis times, especially in a more targeted way. Concrete mitigating measures will be included in the SIGMA Work Programmes for each country separately, carefully assessing potential impacts and adjusting the provided support to the realities. Prioritisation of support will be done in close co-operation with the Commission and EUD colleagues.
Political/economic instability	Broad number of pressing challenges in the Neighbourhood countries and different levels of vulnerability	Medium	Medium	Differentiation and greater mutual ownership will continue being key elements of SIGMA's approach to the countries in the Neighbourhood region. SIGMA will develop 16 month Work Programmes for each country previously agreed with the beneficiary institutions, the European Commission services, the EU Delegations and the PAO, including risk management and mitigation.
Political commitment	Lack of commitment of political and administrative leaders within national administrations to	High	High	The Commission and SIGMA will raise awareness of PAR importance, will target a broader range of stakeholders (including civil society) that can support and encourage/add pressure for reform to take effect, and

	good governance and PAR			will support more structured and better informed policy dialogue.
Co-ordination capacities	Inadequate co-ordination between different national stakeholders involved in reforms of public administration	Medium	Medium	The Commission and SIGMA will ensure involvement of all relevant stakeholders in the design and implementation of Work Programmes (including non-state actors).
Absorption capacity	Low capacity of the NDICI beneficiaries to absorb and integrate advice and recommendations	Medium	Medium	The Commission and SIGMA will design the Work Programmes by involving the beneficiary administrations so that their absorption capacities are taken into account; the action will pursue realistic results that are good enough for NDICI beneficiaries in transition, without proposing too sophisticated solutions.
Solution orientation	Tendency of NDICI beneficiaries to focus on solutions before getting and allowing for in depth understanding of the real problems	High	High	The Commission and SIGMA will continue advising on a more problem oriented approach that would focus on a proper policy analysis, including identifying possible alternative solutions to identified problems, assessing them and presenting those to decision makers for informed decisions.
Unrealistic expectations	Overestimation by beneficiaries about their political and administrative reform capacity	Medium	Medium	The Commission and SIGMA will carefully assess beneficiaries' capacities to carry larger scale reforms and if possible focus SIGMA support on realistically achievable and tangible results.

Lessons Learned:

In providing its support and as an EU-OECD initiative, SIGMA benefits from the OECD's context and 50 years long experience and expertise in governance reforms and related fields.

The OECD, through its Governance Directorate, provides a source of comparative knowledge on Member States systems and reform strategies and networks of practitioners from all Member States, elements that SIGMA benefits from when providing support.

SIGMA has a pool of permanent experts at its disposal, commonly previous officials of EU Member States national administrations, and mobilises temporary high level experts through individual service contracts, to carry out the planned interventions in the domains of assistance commonly agreed with the countries. This practioner-to-practioner approach is the benefit and value-added that SIGMA brings to the Neighbourhood countries.

In addition, SIGMA's support is tailored to the needs of partner countries and beneficiary institutions and fine-tuned to EU bilateral co-operation. Each intervention includes a small number of activities, in a distinctive field of expertise, which in general makes the interventions more adequate to the beneficiary institutions capacity.

Lessons learned result in a set of policy recommendations to increase the impact of SIGMA:

- Concentrate efforts on a limited number of key horizontal systems such as completion and modernisation of the general administrative and accountability frameworks; policy development and co-ordination capacities; data collection, monitoring and reporting systems; rationalisation/simplification of administrative structures (especially of enforcement mechanisms) and procedures; public service and human resource management, public procurement and public financial management, including external audit;
- Duly take into account and ensure co-ordination with all PAR related initiatives through close co-ordination with geographical units in DG NEAR, EU Delegations, the PAOs, the relevant line DGs and other donors or international organisations;
- Support the NDICI beneficiaries and the European Commission on the development of realistic and fully owned public administration and PFM reforms subject to constant monitoring of implementation including stronger links between horizontal and sectorial approaches;
- Contribute to a more adapted, problem driven approach through including national and regional expertise into the design and implementation of specific modernisation efforts, accepting sensitivities concerning terminologies, approaches and solutions.
- Contribute to the European Commission's efforts in raising political awareness and commitment to governance reform, including strengthening assessment activities and involvement in European Commission/dialogue with each ENI beneficiary regarding PAR strategies and initiatives;
- Put more emphasis on implementation and provide support on how reforms and sectorial strategies are designed, prioritised, sequenced and implemented. Build up horizontal capacity and the necessary frameworks to support it;
- Deepen the evidence basis of policies in various PAR areas and strengthen instruments for monitoring progress.

A better synergy and coherence between the different instruments available should allow the European Commission to increase ownership and develop a stronger political dialogue with the relevant ENI beneficiary about priorities and performance, underpinned by proper policy analysis.

3.5. Intervention Logic

The underlying intervention logic for this action is that better governance systems in the NDICI beneficiary countries will contribute to deliver improved policy outcomes and public services to its citizens. This will be achieved through increasing the knowledge and application of European principles of good governance in the areas of policy development and coordination, public service and human resource management, accountability, service delivery and public finance management within the overall framework of the Principles of Public Administration.

PAR is a key priority in strengthening states' capacity to govern in a context of fragility and is a cross-cutting issue of fundamental importance for success in political and economic reforms and building a basis for

implementing good governance standards. The quality of administration directly impacts governments' ability to provide public services, to prevent and fight against corruption and to foster competitiveness and growth.

To reach the overall objective of this action, beneficiary institutions in the NDICI region will have actively used opportunities for experience sharing in development and implementation of policies in the areas of PAR and PFM and administrative capacities of beneficiary public administrations have been strengthened through change management processes in the public governance domain.

3.6. Indicative Logical Framework Matrix

Results	Results chain: Main expected results [maximum 10 @]	Indicators [it least one indicator per expected result @]	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	Better and more resilient governance systems in the NDICI beneficiaries to deliver improved policy outcomes and public services to its citizens	World Bank World Wide Governance Indicator on Government Effectiveness	East ¹⁴ AM: 50 (Percentile rank in 2019) AZ: 46.15 GE: 76.92 MD: 37.98 UA: 39.90 South DZ: 33.65 EG: 36.54 JO: 56.73 LE: 17.79 MA: 47.60 TN: 48.56 PA: 23.08	Improvement in all countries by at least 1%-point	World Bank World Wide Governance Indicators	Impact of SIGMA on achievement of the set target should only be considered as part of a wider EU efforts in supporting improvements of government effectiveness of NDICI Beneficiaries.
Outcome 1	Increased knowledge and application of European principles of good governance in the areas of policy development and coordination, public service and human resource management, accountability, service delivery and public finance management within the overall framework of the Principles of Public Administration	1.1. Number of PAR and PFM related decisions (i.e., laws, regulations, policy documents, guidelines, methodologies, plans) assisted by SIGMA where SIGMA advice/recommendation has been considered, which improved the design and delivery of public administration reforms	1.1. 0	1.1 15 (April 2024) and 30 (November 2025)	1.1 Government publications, official gazettes, government websites 1.2. SIGMA activity reports	Continued ownership and political commitment of NDICI beneficiaries to public administration reform to make progress towards European values and principles. Stable relations between the NDICI beneficiaries and the EU

						Stable and functioning governments and public administrations in NDICI region
Output 1 related to Outcome 1	1.1. Beneficiary institutions in the NDICI region have actively used opportunities for experience sharing in development and implementation of policies in the areas of PAR and PFM	1.1.1 Number of regional seminars / conferences organised	1.1.1. 0	1.1.1. 2 (April 2024) and 4 (November 2025)	1.1.1 SIGMA Activity reports	
		1.1.2 Number of regional studies / papers elaborated	1.1.2. 0	1.1.2. 1 (April 2024) and 2 (November 2025)	1.1.2 SIGMA Activity reports	
Output 2 related to Outcome 1	1.2 Administrative capacities of beneficiary public administrations in NDICI region have been strengthened in the public governance domain, including the ability to respond to emergency situations	1.2.1 Number of bi-lateral seminars / conferences / workshops organised	1.2.1 0	1.2.1. 50 (April 2024) and 100 (November 2025)	1.2.1 SIGMA Activity reports	
		1.2.2 Number of thematic in-beneficiary concept papers/studies/guidance documents/analysis/opinions/comments produced addressing the needs of PAR/PFM bodies responsible for PAR co-ordination, and/or different PAR/PFM areas.	1.2.2. 0	1.2.2. 30 (April 2024) and 50 (November 2025)	1.2.2 SIGMA Activity reports	

¹⁴ The current list of indicator values includes only countries of the ENI region, in which SIGMA is currently working according to agreed country work programmes.

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with a partner country.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this financing Decision and the relevant contracts and agreements.

The Commission authorises that the costs incurred may be recognised as eligible as of 1 December 2022 because the action is the continuation of current SIGMA assistance, which will last until 30 November 2022.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹⁵.

4.3.1 Indirect Management with a pillar assessed entity

The action will be implemented in indirect management with the OECD through the SIGMA Programme, which has been selected using the following criteria:

- The action has specific characteristics requiring specialist advisory services in the area of public administration reform in Neighbourhood countries by a recognised international organisation and the OECD is considered to be placed as the best public institution in this regard.
- The OECD as a public organisation has a long-standing experience and specialisation in this area to partner with the EU and has been working for a number of years with the partner countries, notably in the Neighbourhood area. Since 1992, the SIGMA Programme has embodied the commitment of the European Commission to co-operate with the OECD in order to promote better public governance.
- The successive SIGMA programmes have been repeatedly evaluated with a positive track record in terms of efficiency, quality, effectiveness and sustainability of results and NDICI

¹⁵ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

beneficiaries have always expressed a high level of satisfaction due to its high level of relevance, flexibility and quality of expertise delivered.

- Overall, the action will contribute to building better governance systems in the NDICI beneficiaries to deliver improved policy outcomes and public services to its citizens. This will support developing more sustainable governance systems and to strengthen the capacities of public administrations in the targeted region to enhance economic well-being and political freedom and facilitate closer economic integration and political co-operation between the EU and its neighbours.
- More specifically, the action will contribute to increased knowledge and application of European principles of good governance in the areas of policy development and coordination, public service and human resource management, accountability, service delivery and public finance management within the overall framework of the Principles of Public Administration.

4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5 Indicative Budget

Indicative Budget components ¹⁶	EU contribution (amount in EUR)	Third-party contribution, in currency identified
Indirect management with pillar assessed entity	9 000 000 EUR	330 717 EUR
Evaluation – cf. section 5.2 Audit – cf. section 5.3	[will be covered by another Decision] ¹⁷	N.A.
Communication and visibility – cf. section 6	N.A.	N.A.
Contingencies	N.A.	N.A.
Totals	9 000 000 EUR	330 717 EUR

¹⁶ N.B: The final text on audit/verification depends on the outcome of ongoing discussions on pooling of funding in (one or a limited number of) Decision(s) and the subsequent financial management, i.e. for the conclusion of audit contracts and payments.

¹⁷ Where the action is not covered by a financing agreement (see section 4.1), put ‘will be covered by another decision’ as it is unlikely that evaluation and audit contracts on this action would be concluded within N+1. These contracts have to be authorised by another financing Decision.

4.6 Organisational Set-up and Responsibilities

The action is to be 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 European Commission. The OECD and the European Commission will inform each other about the persons appointed within the institutions to manage this action.

Prioritisation of activities will take place in close co-ordination with the European Commission according to the concrete needs of each NDICI beneficiary. In line with the priorities defined together with the European Commission and with the ENI beneficiaries, SIGMA will develop detailed action plans for country-specific and multi-country activities, specifying results, activities and output and outcome indicators. The European Commission will consult the SIGMA country-specific and multi-country action plans with the EU Delegations in the NDICI beneficiaries countries. SIGMA will be involved in this consultation process. Moreover, the European Commission will ensure co-ordination 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. Ad hoc co-ordination and management meetings will be organised between SIGMA and the European Commission.

4.7 Pre-conditions

SIGMA is committed to contribute to sustainable progress in public administrations in the NDICI beneficiary countries. To this aim, continued commitment to reforms by the NDICI beneficiaries is an essential precondition along with their absorption capacities. Assistance shall continue to continue to raise awareness of importance of PAR for socio-economic development as well as to support and promote the involvement of a broader set of stakeholders that can generate internal demands for reforms.

Political instability may also affect to possibility to undertake widely supported reforms. Ownership is key for reform progress. To this aim, assistance shall ensure coherence with highest priorities of the NDICI beneficiaries; SIGMA, the European Commission and the NDICI beneficiaries will engage in close policy dialogue.

Finally, acceptance of SIGMA recommendations by the NDICI beneficiaries and capacity to integrate them into their national systems will require assistance to be sufficient flexibility and to take into account absorptive capacities.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate an 16 month progress report and a final report at the end of the second 16 month period. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

SIGMA will collect and analyse data that can also be used for monitoring and reporting purposes. The data will be shared with the EC as required to provide evidence on the achievement of set targets for the outcome and output indicators mentioned in the log-frame. The data on impact level indicator will be taken from the respective World Bank internet sources, if available.

5.2. Evaluation

Having regard to the nature of the action, a mid-term, final or ex-post evaluation(s) may be carried out for this action or its components through a joint mission or via an implementing partner. The 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.

The Commission shall inform the implementing partner at least 3 months in advance of the dates envisaged 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 partner country and other key stakeholders following the best practice of evaluation dissemination¹⁸. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Evaluation services may be contracted under a framework contract.

5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6. COMMUNICATION AND VISIBILITY

All entities implementing EU-funded external actions have the contractual obligation to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. To that end they must comply with the instructions given in the "Communicating and raising EU visibility – Guidance for external actions – July 2022"¹⁹.

These obligations apply equally, regardless of whether the actions concerned are implemented by the Commission, the partner country (for instance, concerning the reforms supported through budget support), contractors, grant beneficiaries or entrusted entities. In each case, a reference to the relevant contractual

¹⁸ See best practice of evaluation dissemination

¹⁹ [Communicating and raising EU visibility: Guidance for external actions \(europa.eu\)](#)

obligations must be included in the respective financing agreement, procurement and grant contracts, and delegation agreements.

Communication and visibility measures may be funded from the amounts allocated to the action. For the purpose of enhancing the visibility of the EU and its contribution to this action, the Commission may sign or enter into joint declarations or statements, as part of its prerogative of budget implementation and to safeguard the financial interests of the Union. Visibility and communication measures should also promote transparency and accountability on the use of funds.

Effectiveness of communication activities on awareness about the action and its objectives as well as on EU funding of the action should be measured.

Implementing partners shall keep the Commission and concerned EU Delegation/Office fully informed of the planning and implementation of specific visibility and communication activities before work starts. Implementing partners will ensure adequate visibility of EU financing and will report on visibility and communication actions as well as the results of the overall action to the relevant monitoring committees.

For communicating on Team Europe Initiatives, the EU and its Member States can rely on the specific guidance on the Team Europe visual identity.