ReSPA

Regional School
of Public Administration

Regional Comparative Study on Methodologies Used for Preparation of Public Administration Reform Strategies in Western Balkans

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ReSPA is a joint Initiative of European Union and the Western Balkan countries working towards fostering and strengthening the regional cooperation in the field of public administration among its Member States. It seeks to offer excellent innovative and creative training events, networking activities, capacity building and consulting services to ensure that the shared values of respect, tolerance, collaboration and integration are reaffirmed and implemented throughout the public administrations in the region.

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

Foreword

By Mr. Suad Music,
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Many countries around the world are still coping with the consequences of the global financial crisis. A great number of measures were implemented to try to sustain the level of public services with shrinking resources. The measures ranged from across-the-board cuts to the downsizing of the civil service. Such innovative solutions increased the efficiency of various operations and systems. In times of financial constraints; efficiency, effectiveness, citizen-orientation, strategic agility and innovative methods of service delivery have become inseparable attributes of public administrations. The search for ´cost effectiveness´ is currently of utmost importance, and is set to remain so in the near future., Furthermore, Public Administration Reform, in particular in transitional countries, plays a significant role in the state building and state strengthening processes. It helps to create democratic institutional architecture which is capable of performing all the functions of the state. It also helps to create a professional public service able to design and deliver public services to citizens.

Public Administration Reform has thus become a tool used to inspire change and to make better policies and decisions. Today, its role is even more important than it was previously, because it ensures a platform where modalities for a more efficient service delivery can be discussed and realised. Simultaneously, successful implementation of Public Administration Reform can only be possible if it is properly planned and taken seriously by decision makers, civil servants and wider public.

The Regional Comparative Study on *Methodologies Used for Preparation of Public Administration Reform Strategies in Western Balkans* tries to address these issues by analysing the process of preparation and contents of Public Administration Reform Strategies. ReSPA strongly believes that this Study is a good opportunity for the governments of the Western Balkan countries to reconsider the importance of Public Administration Reform. It is also of further importance that this Study marks the beginning of the structured debates on how to improve the results delivered by public sector institutions. Therefore, with this Study I would like to open the debate on improvements and innovations in the public sector across the countries of the Western Balkan region.

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Abbreviations

AP	Action Plan
ASPA	Albanian School of Public Administration
Acquis	The EU Acquis Communautaire
BiH	Bosnia and Herzegovina
BD BiH	Brčko District of Bosnia and Herzegovina
CARDS	Community Assistance to Reconstruction, Development and Stabilisation
CSHRDS	Civil Service Human Resources Development Strategy
CoM BiH	Council of Ministers of Bosnia and Herzegovina
CS	Civil Service
CSA	Civil Service Agency
CSP	Country Strategy Paper
CSOs	Civil Service Organisations
CSC	Civil Service Commision
CSL	Civil Service Law
CSPAR	Cross-Cutting Strategy of Public Administration Reform
DfID	Department for International Development
DDPFFA	Department for Development Programming, Financing and Foreign Aid
DMPAR	Department for Managing Public Administration Reform
DoPA	Department of Public Administration
DSDCFA	Department of Strategy and Coordination of Foreign Aid
EAS	European Administrative Space
EC	European Commission
EU	European Union
EP	European Partnership
FBiH	Federation of Bosnia and Herzegovina
FRIDOM	Functional Review and Institutional Design of Ministries
GoA	Government of Albania
GEPAR	Group of experts for Public Administration Reform
HR	Human Resources
HRM	Human Resource Management
HLAD	High Level Accession Dialogue
IMWG	Interministerial Working Group
IT	Information Technologies
ICT	Information Communication Technology

IPA	Instrument of Pre-Accession
IPS	Integrated Planning System
JMB	Joint Management Board
LSG	Local Self Government
MA	Ministry of Administration of the Republic of Croatia
MEF	Ministry of Economy and Finance
MEI	Ministry of European Integration
MoF	Ministry of Finance
MISA	Ministry of Information Society and Administration
MLGA	Ministry of Local Government Administration
MPA	Ministry of Public Administration
MPALSG	Ministry of Public Administration and Local Self Government
MTBP	Mid-Term Budget Programme
MTEF	Mid-Term Expenditure Frameworks
NPAA	National Program for Adoption of the Acquis
NGO	Non-Governmental Organization
NSDI	National Strategy for Development and Integration
NPISAA	National Plan for the Implementation of the SAA
OECD	Organisation for Economic Cooperation and Development
OHR	Office of High Representative
OPM	Office of the Prime Minister
OSFA	Open-Society Foundation for Albania
PA	Public Administration
PAR	Public Administration Reform
PAR WG	Public Administration Reform Working Group
PAM	Performance Assessment Matrix
PARAP	Public Administration Reform Action Plan
PARCO	Public Administration Coordinator´s Office
PARF	Public Administration Reform Fund
PFM	Public Finance Management
PIC	Peace Implementation Council
PIFC	Public Internal Financial Control
ReSPA	Regional School of Public Administration
RAP1	Revised Action Plan 1
RPM	Reform Progress Monitoring
RS	Republic of Srpska
RIA	Regulatory Impact Assessment
SAA	Stabilisation and Association Agreement
SAP	Stabilisation and Association Process

SARS	State Administration Reform Strategy
SIGMA	Support for Improvement in Governance and Management
SIDA	Swedish International Development Agency
SEIO	Serbian European Integration Office
SLI	Sector Lead Institution
SDF	Strategic Development Framework
SDP	Strategic Development Plans
SFRY	Socialist Federal Republic of Yugoslavia
SNRAP	Strategy for Public Administration Reform of Albania
SPMA	Strategic Plan of the Ministry of Administration
SSCs	Shared Service Centers
SWG	Sector Working Group
TIPA	Training Institute for Public Administration
TWG	Technical Working Group
TA	Technical Assistance
UK	United Kingdom
UNDP	United Nations Development Programme
UNMIK	United Nations Interim Administration Mission in Kosovo

I Introduction

Public administration reform (PAR) is a cross-cutting agenda that influences performance and service delivery in the sectors such as health care, education, environmental protection, culture or security. For new democracies, public administration reform is a way to strengthen state institutions and create a solid state civil service, which is a pre-condition for quality decisions and public service delivery. Very often, the public administration domain, though formally declared as an important sphere of government jurisdiction, is underestimated and treated as a formality by decision makers and other ministry staff. There is frequently no proper understanding of the impacts of proper implementation of the public administration system and initiatives. Decisions related to university funding, the attraction of direct foreign investment, the construction of big infrastructure projects or similar issues monopolies the attention of the political elite. However, the quality of these decisions depends on the application of tools and techniques promoted by the public administration reform agenda.

Public administration reform is not a self-standing, but a cross-cutting sector. Success in applying the systems and processes promoted by public administration reform (e.g. strategic planning, public consultation, better regulation, performance management, etc.) has an impact on the quality of decisions made in other sectors. For the public administration reform agenda it is therefore important to take into account the developments in other sectors – social, economic, cultural, etc. – to be able to highlight the required changes.

The overall objective of this comparative regional study is to analyse and review the methodologies applied in the Western Balkan countries for the preparation of public administration reform strategy and to provide recommendations for the improvement of such practices in these countries. This regional comparative study (the Study) will also aim to review and present examples of good practice in the region so that each country can learn from each other. In addition to development methodologies, the comparative regional study will analyse the contents of the public administration reform strategies and will benchmark them against international trends. For this purpose, public administration trends in selected advanced countries will be examined. It is expected that this regional comparative study will provide an analytical framework against which practices in different Western Balkan countries will be identified and lessons will be drawn.

The Study contains six sections. Section II provides an overview of international trends in public administration. The situation in three advanced countries – Canada, the United Kingdom and Ireland – will be

analysed. This overview provides benchmarking information in terms of public administration initiatives and tendencies across the world. Section III analyses methodologies for PAR strategy preparation and implementation in the Western Balkan countries. In addition to this, the contents of PAR Strategies in each country is analysed. Section IV compares the methodologies applied in the Western Balkan countries and provides some insights on their similarities and differences. Section V outlines the overall conclusions whereas Section VI – the overall recommendations. In addition to this Study, the National Inputs on the PAR process in Western Balkan countries were prepared and make an integral package of information on this comparative study.

The regional comparative study was carried out using a combination of desk research and expert interviews. First, seven National Inputs were prepared by analysing different secondary sources related to PAR process and agenda. In addition to this, interviews with public sector officials or external experts were carried out to get information on practical issues. In the second stage, the international public administration trends were analysed using secondary sources of information. International trends in PAR agenda were used as a benchmark to compare PAR agendas in the Western Balkan countries.

II International Trends in Public Administration

This section will review trends in PARs internationally. The trends in three countries – Canada, United Kingdom and Ireland – will be reviewed. These three countries, especially Canada and United Kingdom, have been selected because of their pioneering work in the area of public administration. All countries are recognised by international organisations as outstanding examples in launching innovations in the public sector and service design and delivery. According to the World Bank Doing Business 2014 ranking (which encompasses and benchmarks 189 countries) Canada stands 19, Ireland 15 and United Kingdom 10 in terms of ease of doing business. According to the World Bank Worldwide Governance Indicators survey on governance effectiveness, Canada is valued at 95, Ireland at 92, and United Kingdom at 92 out of the ranking scale of 100, where higher values refer to better governance results (for comparison, an average of high-income OECD countries is 87). Ireland is considered as one of the best practice examples of effectively investing the EU structural support to improve public administration, increase administrative capacity and improve the quality of public services. Traditionally, the support of the EU and other donor organisations in the Western Balkan countries as well as in other transitional countries is intensively invested in areas such as good governance, policy coordination, public finance management and other pillars of PAR.

The review of public administration trends encompasses the following areas of public administration:
- regulatory reform
- open government
- public service quality
- public finance management
- good governance.

These clusters were chosen with respect to currently prevailing international PAR agenda driven by the OECD, EU and international partnership networks in the area of public management (European Public Administration Network, Open Government Partnership). In addition to this, these key areas have been identified after reviewing relevant policy documents in respective countries. Public finance management is presented separately from good governance in order to underline the governments´ endeavours to strengthen public spending frameworks in light of the global financial crisis, which has had a significant impact on the whole public sector. The impacts of the financial crisis in these three countries as well as in other EU member states were the major factors which determined the focus of PARs in the last four or five

years. The review of the trends in these countries and the main findings will also be structured according to these clusters of PAR.

Finally, the results of the comparative analysis of PARs in the European countries will be briefly introduced[1].

2.1. Public Administration Trends in Canada

Regulatory Reform In the last few years, Canada has been continuously implementing initiatives to reduce administrative burden. Cutting of red tape has become the priority for the Government. In 2011, the Red Tape Reduction Commission was established. The Commission was asked to identify irritants to business stemming from federal regulatory requirements and provide recommendations to reduce the compliance burden. The Red Tape Reduction Action Plan, prepared in 2012, is the response to the Commission´s Recommendations Report. The Action Plan targets not only specific irritants to business, but also the systematic barriers that unnecessarily frustrate and burden Canadian business with additional delays, costs and bureaucracy.

The Red Tape reduction framework encompasses systematic regulatory reform packages. These reforms aim to introduce principles for new regulations such as *One-for-One Rule*, *Small Business Lens* and *Service Standards*. Moreover, introduced reforms encourage greater business community engagement in the decision-making process initiatives to communicate and consult intended legislative changes and they report on the achievements which result from implementing red tape reductions.

1 Public Policy and Management Institute, Study of Public Administration Improvement trends in Europe and Lithuania, (October 2013).

A ONE-FOR-ONE RULE requires regulators to offset new administrative burden costs imposed on business with equal reductions in administrative burden from the stock of existing regulations. Regulators are also requested to remove a regulation when a new one increases administrative burden costs on business. Canada will be the first country to introduce such a rule in the legislative process.

A SMALL BUSINESS LENS ensures that regulators take into account the impact that regulations have on small business. This assessment will include the application of a 20-point checklist that will drive the efforts to minimise the burden on small businesses, avoid bureaucratic duplication and present the regulatory requirements in a clear and plain language.

FORWARD PLANS will highlight upcoming regulatory changes over a 24-month period, providing businesses with critical predictability.

SERVICE STANDARDS will set targets for timely processing of high volume licences, certificates and permits. Regulators will also establish a feedback mechanism for business users in these areas.

ANNUAL SCORECARD will report publicly on the implementation of reforms, particularly on the implementation of the One-for-One Rule, the Small Business Lens and the Service Standards.

Open Government Over the past decade *Open Government* has become a prevailing trend in public administration in countries with mature public governance systems, especially among OECD countries. Canada is a member of Open Government Partnership network, which unites 64 different countries. The pivotal idea of this initiative is to encourage the government to become more transparent, accountable and responsive to citizens. Accordingly, the *Open Government* approach is based on the pillars of accountability, transparency, citizens´ engagement, and technology and innovations.

Recently Canada has proposed the new Action Plan on Open Government, which will replace the (now expired) previous one. The first Action Plan on Open Government in 2012 was structured into three core aspects:
- Open Information
- Open Data
- Open Dialogue.

Service quality improvement There are a number of key government initiatives aimed at improving the delivery and quality of services to Canadians. Since 1997, the Canadian approach to service improvement in the public sector has consistently described itself as *citizen-centred*. It advocates the so called *outside-in* service delivery approach where services should be designed and executed from the client´s (outsider´s) perspective. An *outside-in* perspective requires the attainment of feedback and measure of levels of satisfaction for individual services. Canada is an early adopter of data-driven approaches through the use of *Citizens First* surveys which, since 1998, have measured citizens´ expectations, satisfaction levels, and priorities for service improvement, thereby analysing progress over time and providing a baseline for cross-jurisdictional benchmarking[2]. In 2012 the sixth survey was published and it is the latest in the series of clients´ satisfaction surveys. It is important to stress that, besides the continuous assessment of the satisfaction levels and service quality, the new service improvement directions and innovations have been imposed as a result of the analysis (for example, elements of the service value chain, management of expectations, service standards for emerging channels, etc.).

The national surveys *Citizens First* are carried out by the Citizen-Centred Service Network, which was established in the late 1990´s, and unite senior government officials from across Canada. To assess clients´ satisfaction, a unified survey tool *The Common Measurement* was elaborated. It serves as a standard methodological background for each survey. Hence, in a citizen-centred approach, citizen satisfaction becomes an indicator of success and the basis for results measurement in public service delivery. In turn, citizen-centred approach has gradually become a core principle in public service delivery. For example, the *Service Canada* platform ensures better accessibility to public services and provides a broad range of information about procedures, obligations and requirements to provide information. Moreover, the platform not only helps to reach additional information and guide through the services delivery path, but it also establishes the standards of service delivery.

Public Finance Management The Canadian government has extensive experience of producing and using performance information. Information on results has been used in two main ways: first, to support management decision-making, and second, to support the reporting to Parliament on what was achieved. Despite the progress achieved, the Canadian government in 2007 introduced a new expenditure management system designed to be more performance-based and improve value-for-money in program spending. The focus of previous system was related to the use of performance information

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2 OECD, Innovative and Open Government: an Overview of Recent Initiatives, (November 2010).

in decision-making, especially in spending decisions. However, the decisions were not supported by information on planned and actual results; they rested on incremental spending. There was a need to better align spending decisions with the government´s priorities. In response to these problems, the *up-front discipline* and *spending reviews* were introduced.

When applying *up-front discipline*, the government is anchoring new spending proposals in Ministerial Mandate Letters, in which the Prime Minister declares to the ministers a set of management priorities along with guidance on priorities for expenditure. On the contrary, *spending review* examines how and whether ongoing spending programs meet government priorities and are effective and efficient. The choice of which departments have to be reviewed each year is made by the Prime Minister, after the Cabinet has carefully considered the choices. Reviews must demonstrate whether programs provide value-for-money through assessment of program relevance, effectiveness and efficiency. Departments must identify low-priority (and low-performing) programs totalling 5 percent of their direct program spending and the Cabinet then considers options for the future use of those funds, including reallocation inside or outside the department[3]. *Spending review* process is supported by programme evaluation system, which has also been reviewed in order to strengthen evaluation capacities within departments.

Dealing with the consequences of the global financial crisis, in 2010 the Government of Canada launched a supplementary *Administrative Services Review* to identify efficiency savings and reduce delivery costs, while simplifying and standardising support and administrative functions[4]. The comprehensive review of support and administrative services leads not only to service improvement, but also to balance the budget and make reductions in departmental expenditures in the context of value-for-money. Besides specific retooling, the administrative function assessment resulted in a project to consolidate government Information Technology services in *Shared Services Canada*.

Good Governance Canada has long-lasting traditions in the performance management field and is one of the most advanced countries in good governance. Federal departments have an obligation to put in place results-based management approaches for all activities. Results-based management uses a programme-cycle approach by integrating planning, monitoring and reporting to improve decision-making. In 2003 the Government of Canada developed the *Management Accountability Framework*, which is a key tool

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3 The World Bank, Results, Performance Budgeting and Trust in Government, (June 2010).
4 Support and administrative functions can be: accounting, public procurement, information technologies, personnel management, etc.

to help ensure that federal departments and agencies are well-managed, accountable and that resources are allocated to achieve results. It is an analytical tool used to identify management strengths and weaknesses across government. Through *Management Accountability Framework*, the Treasury Board of Canada Secretariat assesses federal departments against a set of indicators that consider the quality of management, resources and results structures.

2.2. Public Administration Trends in the United Kingdom

Regulatory Reform In the last decade Better Regulation policy has attracted a lot of attention in the political agenda. Regulatory reform continues to be underlined as a priority in dealing with the consequences of the global financial crisis. In 2009 the United Kingdom Government announced a number of actions designed to reinforce Better Regulation in light of efforts to boost economical processes (OECD). To supplement a well-developed institutional set-up, a Regulatory Policy Committee has been established to advise the government on the merit of its efforts to accurately assess the costs and benefits of regulation[5].

The impact assessment and red tape cutting issues should be highlighted as good practice initiatives of the Better Regulation policy. Major efforts are being made to integrate impact assessment into the policy-making process. The UK is one of the leaders in the EU in conducting impact assessments of new regulations. The impact assessment, especially ex-ante, is an integral part of regulation which is supported by a comprehensive methodological framework. The other compelling initiative is *Red Tape Challenge*, which is embraced by the government and highly supported by the Prime Minister. The *Red Tape Challenge* puts a ´spotlight´ on different areas of regulation. For each selected theme or sector there is a five-week window during which stakeholders and constituents are invited to submit their proposals and views on regulation. These proposals are reviewed by a Ministerial ´Star Chamber´ with the presumption that all burdensome regulations should be removed unless Departments can justify why they are needed. Recently UK government has announced the results and underlined that over 3,000 regulations will be scrapped or improved. The Red Tape Challenge reform has resulted in over £850 million of annual savings to businesses.

Open Government The United Kingdom has a well-established culture of open consultations aimed at maximising transparency in the public

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5 OECD, Better Regulation in Europe: United Kingdom, (2010), available at: www.sourceoecd. org/governance/9789264084483.

management process. The government ensures that the information gathered by public bodies is accessible, for greater accountability. The UK is a leading country on open data and highly supports the movement. The data web portal data.gov.uk is considered a highly comprehensive data resource with more than 10,300 data files. In addition, the UK government has created standards embedding *Public Data Principles* as a policy for central government departments, highlighting the main principles and good practices when sharing open data and monitoring underperformance.

Service quality improvement With regards to public service quality improvement, the UK has shifted the focus from ´public service provision´ to ´citizen empowerment´. The relationships between society and public authorities have been shaped by the *Big Society* concept. The government encourages people to take a more active role in improving their communities and delivering public services. In 2011 the UK government launched two community-based programmes to empower citizens to become more involved in their local community. These programmes target communities´ capacities to tackle problems and strengthen community groups. Alongside this initiative, the government also implements wide-ranging decentralization activities aiming to push the power away from the UK government and enable communities to take more responsibilities in public services delivery. The Lambeth community´s initiative to transform public services, which has been undertaken and supported by the local government, should be regarded as outstanding practice. The project aimed to engage the community in co-production of public services through strengthening collaboration instruments and creating relevant conditions. The Cooperative Council was established and the local government has taken steps to encourage citizens to be a part of public services provision. The main activities in strengthening collaborative community encompass different components of management systems such as interactive channels, legal procedures, accessibility of recourses, and continuous learning. Hence, this example could be considered as a comprehensive public authority´s endeavour to re-design the process of collaboration with civil society.

Good governance The UK government supports government departments to use new working methods that will help to constantly improve their services (known as *continuous improvement*) in their organisations. *Continuous improvement* involves systematically using methods and techniques that have proved to improve efficiency in both the public and private sectors. The methods include Six Sigma, Lean, and Systems Thinking. Currently the government is developing a continuous improvement resourcing model to ensure optimum use of the government-owned continuous improvement-trained resource, and to provide short to medium term support to departments and agencies across government.

Seeking to elevate public service efficiency and effectiveness, the government launched an ambitious one-shot reform to establish *shared services centres* across the government. In 2012 the Strategic plan for next generation shared services was published, which shows the government´s commitment to streamline back office services. Shared services would be implemented across the departments and arm´s length agencies in the areas such as human resources, payroll, finance and procurement.

Civil Service Reform In 2012 the Cabinet Office with the Prime Minister´s support initiated a comprehensive Civil Service Reform; alongside which, the Civil Service Reform Plan was elaborated. The reform struggles to retool the whole civil service in order to meet today´s challenges. The major actions set up in the Reform Plan are related to four major branches illustrated in Table 1.

Table 1: Major Civil Service Initiatives

Clarifying the future size and shape of the Civil Service	Improving policy making capability	Implementing policy and sharpening accountability	Creating a modern employment offer for staff that encourages and rewards a productive, professional and engaged workforce
The Civil Service Reform emphasises the need for a smaller and more strategic Civil Service. The implementation actions are related to the creation of a much stronger corporate **leadership model**, and stronger **sharing of services and expertise**. It also commits to transform service delivery by adopting a ´Digital by Default´ approach.	The government seeks to establish a clear **model for open policy making**. It also stresses that policy resources should be focused on ministerial priorities, while improving the ability **anticipate threats and opportunities ahead**.	The government presumes that **policy implementation should never be separate from policy making.** Given the frequent poor delivery of major projects, there is a need for substantial improvements. The Reform Plan encompasses wide-ranging initiatives, from project performance monitoring to leadership training of major projects.	This area of improvement concentrates on promoting a more flexible culture for the Civil Service. Terms and conditions of employment that reflect good, modern practice in the wider public and private sector should be promoted. Additional measures, such as performance appraisal for all staff, recognition of good performance and taking action where performance is poor, are put in place.

The Civil Service Reform Plan includes a chapter related to capacity building. Accordingly, the UK government annually publishes *The Capabilities Plan*, which enumerates the ways to improve civil servants´ skills in four priority areas:

- Digital management
- Commercial management
- Project management
- Leadership of change.

Civil Service reform advocates for a corporate approach in capacity building where, in addition to training conducted within the departments, civil servants are also encouraged to take responsibility for their own personal and career development. The departments focus on the agreed corporate priorities for capability building and use the Competency Framework to assess training needs.

Public Finance Management While results-oriented management has evolved for decades, the systematic performance budgeting in the UK dates back to the reforms of fiscal institutions and budgetary procedures introduced in 1998. The UK Public Spending framework consists of two major components – *Spending Reviews* and *Departmental Strategic Objectives*. *Spending review* is a detailed, thorough examination of each department´s budgetary requirements for the upcoming three-year period in the light of existing spending pressures, opportunities for improving efficiency, and the costs of new policy proposals. The review process is coordinated by the Treasury but it is led by the individual departments who submit detailed three-year resource requests to the Treasury three months prior to the conclusion of the exercise[6].

As part of the Spending Review in 2010, the UK government developed a new performance management framework to replace the previous government´s system of Public Service Agreements and Departmental Strategic Objectives. The framework focuses on departmental accountability to deliver ´more for less´ and includes the publication of departmental business plans which project the resources, structural reforms and efficiency measures expected to be put in place to protect and improve the quality of key, frontline services.

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6 The World Bank, Results, Performance Budgeting and Trust in Government, (June 2010).

2.3. Public Administration Trends in Ireland

Regulatory Reform Better Regulation policy in Ireland is considered as an important factor influencing public sector efficiency and helps to boost economic processes. The Smart Economy Strategy (Building Ireland´s Smart Economy – a Framework for Economic Recovery 2009-2014) includes *Smart Regulation* among its five key action areas. Seeking to improve and simplify the regulatory environment, a number of initiatives have been undertaken in the following areas:

- e-government priority projects
- administrative burden reduction
- strengthening regulatory impact analysis
- improving accessibility to legislation.

The scope of activities shows that better regulation is seen as an integrative agenda cutting across decision-making (impact assessment), service delivery (e-government and administrative burden reduction), and access to information (accessibility to legislation).

Service quality improvement In 2008 the government of Ireland released the *Transforming Public Service Report*, which guides the major efforts to improve the quality of public service. The actions related to public services are focused on citizen engagement, e-government and shared services. The government also commits to improve the preconditions of public management to ensure effective and efficient public service delivery.

The government strives to strengthen the *focus on service users*. This is a pivotal issue in renewing public services. Central to this approach will be the creation of a new framework for competition in public services. The government is committed to promoting greater use of alternative service delivery models, emphasising the optimal method of delivery that may include partnerships with private enterprises, voluntary organisations and community groups. The approach encourages deeper and better-structured dialogue with the public (citizens and customers) and sharing of information, as well as increasing accessibility to public services provision. The government intends to enhance standards of interaction between the State and service user through the use of *Customer Charters*, supported by *Customer Action Plans*. Public service organisations will also be asked to consult with their customers to identify areas where priority action is required to enhance service delivery.

Good governance Ireland is the leading country in terms of *shared service centres* (SSCs) development. Originally established with a strong focus on cost efficiency through centralisation and standardisation, shared service –has

become the general practice to manage core activities. The delivery of cost effective, flexible and high-quality services has been well established in areas such as financial services, logistics, customer service, human resources and technology services. In 2010 more than 100 SSCs operated in Ireland, with approximately 30 percent operating in the electronics and high technology sectors. Almost 70 percent of Irish *shared service centres* perform finance and accounting services and approximately 50 percent manage IT and customer service functions[7]. The government is currently considering possible ways to move towards value-added services. This poses the question of adopting greater off-shoring capabilities for more routine transactional-based activities while refocusing the existing centres on delivering knowledge-intensive support functions.

Public Finance Management In 2011 the government started a transformation of Ireland´s old-fashioned budget system. Components of contemporary public expenditure framework such as multi-annual expenditure framework, performance-based budgeting and evidence-based performance policy have been introduced. The *comprehensive reviews* of both current and capital expenditure, which will take place in 2014, are part of a suite of reforms to the budgetary architecture that were announced in the Comprehensive Expenditure Report 2012-2014. These reviews are a part of the government´s multi-annual budgetary framework and are intended to be conducted approximately every three years to re-set the multi-year expenditure ceilings in line with emerging governmental priorities, informed by evaluations of expenditure programmes.

Civil Service Reform In the area of Civil service reform the government places a strong emphasis on leadership capacities and increases awareness that a high-performing leadership cadre at the most senior levels is crucial in supporting economic recovery and driving effective delivery of services to citizens. The *Senior Public Service* was established through the civil service and is currently extending to the broader public service. The development of a structured, integrated and co-ordinated system for leadership development and talent management is an important priority for the future framework for human resource management in the Public Service.

2.4. Public Administration Trends in the EU: Comparative Analysis

During the Lithuanian EU Presidency in 2013 the Ministry of Internal Affairs of Lithuania commissioned a study where the main aim was to identify current public administration trends in the EU Member States and other

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7 Accenture, Sustaining high performance in shared services: An Irish perspective, (2010).

European countries. The study was based on desk research and a web-based survey of the European Union Public Administration Network participants from the EU member states and other European countries[8].

The findings of the study show that the most important objectives of PARs in the European countries in the period 2008-2013 were:
- improving efficiency in public administration (91%)
- reduction of government spending (89%)
- transparency and openness of public administration (86%)
- improving regulation and reducing administrative burden for citizens/business (83%).

Figure 1: Main Objectives of Public Administration Reforms
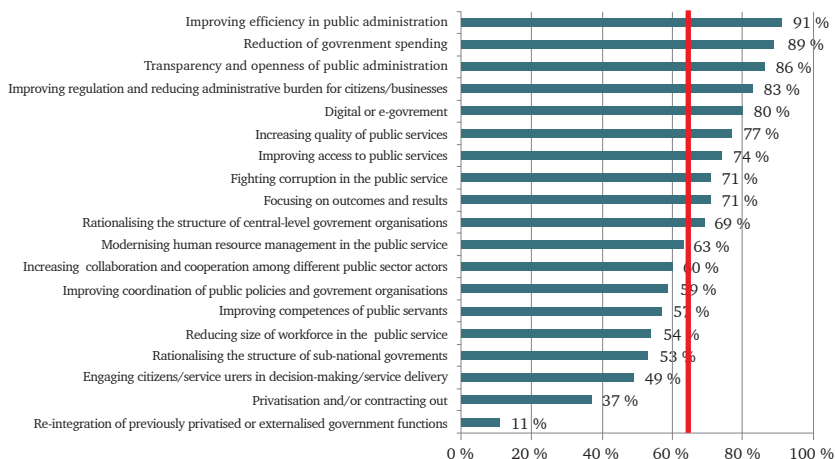
The study identified the most important initiatives of PARs launched in the European countries over the past six years in addition to the above mentioned PAR areas:

- **Optimisation of government expenditure.** The survey results showed that the optimisation of government expenditure was largely based on proportional cuts across all public administration areas and targeted cuts according to political priorities. Another important initiative was savings, based on increased efficiency through the application of ICT tools.
- **Optimisation of institutional structures.** European countries most frequently engaged in related initiatives, such as merges of government organisations and public sector bodies, establishment of shared service centres or unification of structures and functions.

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8 European Union Public Administration Network, available at: http://www.eupan.eu.

- **Modernisation of human resource management.** European countries sought to combine ´hard" (resource-centred approach where staff is perceived as a cost to be minimised and controlled) and ´soft" (people-centred approach that includes development, training, communication, motivation and leadership) human resource management approaches by initiating reforms aimed on one hand at reducing the number of public sector employees; and on the other at trying to enhance their quality of work by developing leadership skills and other competencies. Analysis of the survey data indicated that staff training and development of leadership skills are prevailing initiatives.
- **Improving performance management.** In order to achieve more with fewer resources, European countries started developing new performance management systems or improving existing ones. Two main sets of initiatives could be identified: (1) various initiatives related to better regulation and (2) initiatives related to a results-based approach (such as business/strategic planning or performance measurement and monitoring).
- **Transparent and open public administration, including e-government and citizens´ involvement.** European countries undertook a number of different initiatives in the area of transparent public administration. The most frequently applied initiatives can be divided into two sets: (1) initiatives improving access to public services and (2) those improving the transparency and the image of the public sector.

The consequences of the global financial crisis urged administrations around the world to look for ways to maintain the scope and quality of public services with shrinking resources. Often a ´two-speed´ approach was applied by most OECD and other countries:
- Cutting programme and operational expenditure leading to immediate savings
- Designing and implementing initiatives gradually leading to efficiency savings and effectiveness.

The OECD Report on ´Restoring Public Finances´ shows that most OECD countries have targeted major programme measures to respond to abruptly emerging public expenditure challenges[9]. Financing of welfare, health, pensions and infrastructure suffered the most, given the largest share of public expenditure. Figure 2 below shows the cuts applied in the OECD countries.

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9 OECD, ´Restoring Public Finances", (2011), available at: www.oecd.org/governance/budgeting/47558957.pdf.

Figure 2: Composition of Expenditure Measures in OECD Countries

■ Operational ■ Programme ■ Other
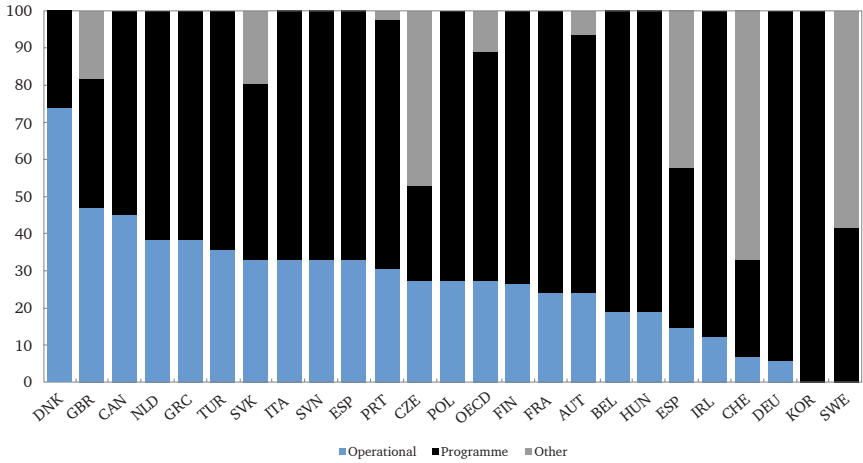
Source: OECD

The review of the reforms initiated in Canada, the United Kingdom and Ireland in the area of public administration simultaneously demonstrates that countries invested significant efforts in designing measures aimed at improving efficiency, effectiveness, transparency and empowerment, expecting lasting returns and savings in the future. They represent a wide spectrum of reforms illustrated in Table 2 below.

Table 2: The Focal Points of the Public Administration Reforms

	EFFECTIVENESS						
	REGULA-TORY REFORM	OPEN GOVERN-MENT	GOOD GOVERN-ANCE	PUBLIC SERVICE IMPROVE-MENT	PFM	CIVIL SERVICE REFORM	
EFFICIENCY	Red tape reduction Better regulation principles Impact assessment	Sharing open data Public consultations Web-based services portals E-services	Shared services Results-based management Continuous improvement Performance monitoring	Citizens engagement (co-design and co-pro-duction) Satisfaction measurement Citizens´ charters Service standards	Public spending review Administrative services review Performance-based budgeting	Downsizing civil service Leadership Change management Senior Public service	TRANSPARENCY
	EMPOWERMENT						

Overall, the international trends demonstrate the responsible behaviour of the developed world in dealing with the consequences of the financial crises. The responses were designed to cope with both immediate consequences and future challenges. The review also shows that the countries examined do not have a single strategy to communicate reforms and actions to be taken in the area of public administration. Instead they use policy papers or other forms of communication to declare their intentions in different pillars of public administration. In this Study, the comparison of PARs in the Western Balkan countries will be conducted using the broader reform agenda of Canada, the United Kingdom and Ireland as a benchmark.

III Analysis of methodologies used to develop and implement PAR strategies in the Western Balkans

The aim of this section is to analyse the methodologies used by the Western Balkan countries to develop, implement and monitor the implementation of PAR strategies. In addition, the contents of PAR Strategies in all countries will be analysed.

3.1. Methodologies used in ALBANIA

The reform of public administration in Albania started in 1994 with the establishment of the Department of Public Administration (DoPA) and adoption of the Law on Civil Service in 1996. The DoPA became a central agency responsible for the elaboration of an overall policy for recruitment, training and promotion of civil servants and coordination and implementation of technical assistance to the public administration.

In the last twenty years, Albania has experienced two cycles of PAR and it is now embarking on a third one. In 1999 the government of Albania (GoA) approved its first Strategy of State Institutional and Administrative Reform. The first Strategy was a policy document of the GoA to articulate and communicate the vision, priorities and objectives of the overall reform in public administration with no specific time frame for its implementation. The second generation strategy, ´Intersectoral Strategy for Public Administration Reform 2009 - 2013´ (SNRAP[10]), was developed and approved ten years later in 2009. In 2012 Albania started the preparation of a third ´Cross-cutting Strategy of Public Administration Reform 2013-2020´. The third Strategy is expected to be finalised before the end of 2014, covering the period of 2014 – 2020.

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10 Abbreviation of the Albanian name of the strategy: Strategija per Reformen ne Administra-ten Publike.

3.1.1. Institutional set-up and methodology for PAR preparation

The preparation of the second PAR Strategy SNRAP 2009-2013 was **a participatory process institution-wise** and was led by the Deputy Prime Minister. An Inter-Ministerial Working Group (IMWG) was established by the Order of the Prime Minister[11] for the drafting and implementation of the SNRAP 2009-2013. The IMWG was chaired by the Deputy Prime Minister and comprised of deputy ministers of Finance, Justice, Labour, Social Affairs and Equal Opportunities, Education and Science, Health, European Integration, the Director of DoPA and a coordinator from the Department of Strategy and Coordination of Foreign Aid (DSDCFA). In addition to this political level, a Technical Working Group (TWG) was established to assist the IMWG and provide expertise on different aspects of PAR. The TWG consisted of 15 members – directors of the human resources management units of the ministries represented in the IMWG, the director of the Training Institute of Public Administration and a coordinator of the DSDCFA. Even though the sectoral representation in PAR IMWG was rather broad, the technical expertise in the TWG was very much limited to that of human resources management rather than policy experts. However, the composition of the TWG was reviewed in mid-2014 to afford a greater representation of policy development expertise (units), as well as political staff.

From an institutional point of view the preparation of PAR Strategy was led by the DoPA through support from SIGMA (Support for Improvement in Governance and Management) and the Institute of Contemporary Studies (ICS). The draft of the strategy was shared with a group of Civil Society Organisations (CSOs) who were invited to provide their views and comments on the draft PAR Strategy. Consultation with CSOs took place in the last stage of PAR Strategy preparation thus rendering the involvement of NGOs, academia and wider society a formality rather than them being regarded as equal partners in determining priorities for and the preparation of PAR agenda.

Albania is one of the 3 countries in the Western Balkans using **a unified methodology** to define the structure of PAR Strategy. Sector-specific and cross-cutting strategies are drafted based on the guidelines and methodology developed by the Department for Development Programming, Financing and Foreign Aid (DDPFFA) of the Deputy Prime Minister´s Office[12]. This

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11 Order of the Prime Minister No. 134, (16 August 2007), ´For establishment of the interministerial Working Group (IMWG) responsible for preparation, drafting and implementing of the ISPAR 2009-2013 in the framework of the National Strategy for Development and Integration 2007-2013".
12 Order of the Prime Minister No. 134 (12 June.2006), ´For the preparation of the National Strategy for Development and Integration, sectoral and cross-cutting strategies".

methodology provides a blueprint for all ministries and includes instructions on the structure and contents of sectoral and cross-cutting strategies presented in Table 3 below. The Methodology involves the alignment of all sectoral and cross-cutting strategies with the *country´s long-term agenda* (National Strategy for Development and Integration (NSDI) which establishes the government´s medium to longer-term goals and core policies for all sectors based on a national vision), *budgetary resources* (Mid-term Budget Programme which is a 3-year budget plan of the GoA to deliver programmes outputs for achieving its policy objectives and goals within the government´s fiscal plan) and *European Integration commitments* (set out in the Stabilization and Association Agreement (SAA) between the GoA and the EU).

Table 3: Structure of Cross-cutting Strategies

Chapter 1: Overview of the sector
- Current situation (*Describe the sector and its current state*) - Key issues (*Bullet point list of issues then a paragraph on issues as a general guide, with no more issues than there are programme goals in the sector* - Summary of sector policy goals for National Strategy for Development and Integration (NSDI) 2nd period
Chapter 2: Vision and Goals
- Vision of the sector in 2021 (*the sector vision should describe the state of affairs that will exist in 2021 when the strategy is fully implemented*) - Programme Policy Descriptions and Sector programme policy goals (*as presented in the Expenditure programmes for sector strategy implementation*)
Chapter 3: Sector Development and Integration
- Strategies related to the sector *(for cross-cutting strategies identify the sectors it relates to)* - Sector and European Integration negotiation chapters - Programme Policy Statements - Table of key programme policy objectives relating to European Integration
Chapter 5: Sector resource requirements
- Resources in 2013-15 Mid-Term Budget Programme - Resource requirements for 2016-2020 by programme objective and sub-ceiling items - Non-budget resources
Chapter 6: Monitoring, Reporting and Evaluation
- Action Plan for implementation of the strategy (*including the timetable and allocation of responsibilities for each action*) - Performance Assessment Framework (*including monitoring indicators, baselines and targets*)

The Methodology defines the structure of the strategic documents, but does not prescribe any methodology or process to be followed when preparing the strategy (e.g. institutional set-up, consultation process, etc.).

3.1.2. Contents of the PAR Strategy

PAR priorities and objectives The SNRAP 2009-2013 identifies three broad priorities:

1) **Civil Service:** Modifications and improvement of civil service system in general management and human resources
2) **Institutions**: Modifications in the functional and organisational system of the structures of public administration
3) **Decision-Making**: Modifications and improvements of the decision-making procedures and tools defining quality and performance of public services in administration.

Despite the broad scope of SNRAP and its application to ´entire public administration", the measures foreseen for implementation are focused on civil service reform and administrative services. Other sectors of public administration dealing directly with public services such as health, education, police, and customs are regulated by other specific laws or strategies. Moreover, other important pillars such as public finance management (PFM), e-government, anti-corruption/ethics and integrity are not discussed in depth by the Strategy. This reinforces the fact that the SNRAP is mainly focused on the implementation of civil service reform without covering other areas of public administration. The contents of the SNRAP are illustrated in Table 4 below.

Table 4: The Pillars of the SNRAP 2009 – 2013

	EFFECTIVENESS					
	CIVIL SERVICE	GOOD GOVERNANCE	BETTER REGULATION	PFM	E-GOVT	
EFFICIENCY	Depolitisation Appraisal Remuneration Training	Efficient structures Administrative services Complaints procedure Interest groups	Simplification of procedures for licences and permits	—	E-database One-stop-shop	TRANSPARENCY
	RESPONSIBILITY/ ACCOUNTABILITY					

In addition to PAR strategy, the GoA has developed and approved strategies related to public finance management, anti-corruption and e-government. **Measuring success** Even though the Methodology for the preparation of

the NSDI, sectoral and cross-cutting strategies requires presenting monitoring indicators, baselines and targets, the NSRAP 2009-2013 does not provide for clear performance indicators and targets to measure and monitor the success of the implementation. The Strategy contains several objectives, but measuring the success of the strategy is difficult in the absence of a basis from which to start the assessment of progress (baseline indicators and targets). A list of sub-indicators is provided in the Table annexed to the NSRAP 2009-2013, however, there is no clear link to strategic objectives within the Strategy. The majority of sub-indicators are at output or even input level (e.g. number of civil servants, vacancies, contracts, promotions, training courses, reorganisations, joint initiatives, delegation of powers, etc.) and they are mostly related to civil service pillar.

3.1.3. Implementation Arrangements of PAR Strategy

The main PAR implementing institutions in Albania are the DoPA, the independent Civil Service Commission (reporting to the Parliament) and the Albanian School of Public Administration. Line ministries bear responsibility for implementation of measures in the areas of one-stop-shop and administrative procedures/services.

Overall, there is no coherent and clear implementation and monitoring framework for PAR Strategy due to the fact that there are no clear performance indicators and targets against which implementation of PAR strategic objectives would be measured. In 2010 the GoA introduced Performance Assessment Matrix (PAM) with the aim of creating a results-based monitoring mechanism to support the implementation of sector strategies, including NSDI[13]. Indicators related to PAR are included in the NSDI, however, as in the case of NSRAP 2009-2013, they do not represent the overall PAR progress, but mainly the progress to ensure sustainability of civil service, and are at output level[14]. The DoPA has developed its own system

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13 A PAM contains SMART indicators of performance at programme policy objective level for the ministries´ programmes which contribute to the implementation of a given sector strategy. The purposes of the PAM are: (i) To improve the actual monitoring system – by developing a realistic report which identifies the weaknesses and problems, highlighting where and when there are problems in the sector strategy implementations; and proposing actions to address these problems; (ii) To help sector ministries in their programme policy analysis (review) – ministries will improve the implementation of their sector strategies, after reviewing programme policies and feeding findings from monitoring into the following policy cycle thereby reinforcing the implementation of NSDI; (iii) To support national planning and performance budgeting in the IPS by making better use of strategic information available through Programme Policy Statements included in the sector ministries´ MTBP submissions; (iv) To promote accountability and enhance transparency enabling the SPC to analyse the extent to which ministries have reached their declared policy objectives and to make informed decisions on corrective measures.

14 The indicator used to measure PAR pillar is ´The number of complaints registered in the

III Analysis of methodologies used to develop and implement PAR strategies in the Western Balkans

of indicators to measure the progress of the civil service reform. Progress against these indicators is reported in the annual reports elaborated by DoPA for the government. However, this reporting framework only covers the civil service pillar. There is a great need to develop a coherent and transparent implementation and monitoring framework (performance management framework) when preparing the third PAR Strategy in Albania, which would include performance indicators, baselines, targets and responsible institutions.

Overall, analysing the objectives, activities, performance indicators and monitoring of the NSRAP 2009-2013, there is a strong focus on the civil service pillar. The new generation of PAR agenda should therefore integrate proper strategies and performance indicators to project and monitor changes in areas such as the quality of decision-making, policy coordination, public service delivery, efficiency, citizen engagement, etc. This could be facilitated by involving a broader spectrum of skills and expertise in PAR agenda development, as has been done recently through the compositional review of the TWG[15].

3.2. Methodologies used in BOSNIA and HERZEGOVINA

PAR in Bosnia and Herzegovina is characterised by its complexity in administrative system arising from multi-level surrounding, constitutional arrangements and governmental structures. The first steps towards a comprehensive PAR in Bosnia and Herzegovina started in Republika Srpska (RS) which in 2000 signed a Memorandum of Understanding on the civil service reform with the UK Department for International Development (DFID). This initiative was the first acknowledgement of PAR as a structured policy but it limited its scope to the level of Entity and its content by only focusing on the civil service. The formal structured process of PAR in BiH was launched in March 2003 with the publication of the so called ´*Public Administration Reform – Our Agenda" (*PAR Commitments)[16], which envisaged an integrated approach through 5 PAR Commitments:

- Pledge 1: **The organisation** - make public administration cost-effective and well organised
- Pledge 2: **The funding** - ensure that the tax payers´ money is spent

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Civil Service Commission related to implementation of the Civil Service Law, according to the type of complaints.

15 Note: the TWG established to provide assistance to NSRAP 2009-2013 preparation was mainly represented by human resources management expertise. The composition of the TWG was revised in mid 2014 to include policy development staff.

16 Council of Ministers, "PAR – Our Agenda", (2003).

economically and transparently

- Pledge 3: **The staff** - ensure that the civil service is professional and representative of the citizens it serves
- Pledge 4: **The procedure** - make public administration work in accordance with EU best practice
- Pledge 5: **The public services** - ensure quality-driven and citizen-friendly public services.

This document was formally presented by the Chair of the Council of Ministers at the March 2003 meeting of the Peace Implementation Council. The Office of the High Representative (OHR) translated PAR commitments into an organisational framework headed by a PAR coordinator, formally accountable to the BiH Minister of Justice, which included a number of mixed domestic and international working groups tasked to develop a comprehensive PAR strategy. In addition, a series of reviews of government functions were launched by the European Commission in 2003/2004. The findings and recommendations of the reviews established the foundations of the future PAR Strategy coordinated by the newly established body at State level – the Public Administration Reform Coordinator´s Office (PARCO) and the EU assistance through the Technical Assistance Project financed by the CARDS programme. PAR Strategy was adopted by governments at all levels in 2006 and envisaged three stages of the reform ending in 2014. The duration of PAR Strategy was not stated *per se,* but the timeframe was indicated in the Action Plan 1 for the period of 2006-2010 and Revised Action Plan 1 (RAP1) for the period of 2011-2014.

Currently, with the support of the Technical Assistance project, a concept for the new PAR approach is being prepared entitled ´PAR 2020: future steps". It is still in the process of comprehensive operational discussion and is expected to be presented at the political level in the upcoming period.

3.2.1. Institutional Set-up and Methodology for PAR Preparation

The preparation of PAR strategy in BiH was very much influenced by the international community as well as the NGO sector, academia and wider public. Even though there was no specific methodology applied, the preparation process followed certain strategic stages: political decision, system review and analysis, strategic direction and operational framework. The stages are illustrated in Figure 3 below.

Figure 3: Strategic Stages in PAR preparation

PAR: Our Agenda **MoU of Functional Reviews**	**Political Decision/** **Policy**
System Review of PA **PARCO Establishment**	**Strategic Context**
PAR Strategy	**Strategic Direction**
Action Plan of the PAR **Strategy**	**Institutional / operational** **framework**

As in other Western Balkan countries, the preparation of PAR Strategy in BiH was supported by the EU and technical assistance projects, applied tools and processes based on the expertise of the project staff and established a number of institutional set-ups. The stage of **Political Decision** was supported by the Office of the High Representative (OHR) and resulted in the signing of a Memorandum of Understanding on the Functional reviews and establishment of PARCO between governments in BiH and the European Commission (EC). This stage was implemented by an Intergovernmental task force on PAR consisting of relevant Ministers, – the Minister of Justice of BiH; the Minister of Justice of FBiH; the Minister of Administration and Local Self-government of RS; and the Mayor of Brčko District – Heads of the Civil Service agencies and other relevant bodies. This first task force was an ad hoc structure, fully internal from the perspective of public administration, representing relevant administration bodies and cooperating mostly with the representatives of the EC.

The **Strategic Context and Analysis** stage was coordinated by the Steering Committee at the strategic level and Review Teams at the technical level. The Steering Committee was in charge of supervising the System Reviews and it included: representatives from the Directorate for European Integration of BiH; State and Federal Ministries of Justice; the Ministry of Administration and Local Self-government of the RS and the government of Brčko District; Project Team Leader and the Deputy Team Leader; and the Task Manager from the EU Delegation. The presidency of the Steering Committee was given to the appointed State PAR Coordinator who was also the Head of the PARCO. The review teams were formed for each of the six horizontal areas and they were of mixed structures, including both public sector professionals and external stakeholders (foreign and local).

The **Strategic Direction and Operational framework** (preparation of PAR Strategy and action plan) stage was characterised by intensive work on the part of public administration as well as wider society. The preparation process was supported by a Technical Assistance project and coordinated by the PARCO though the establishment of six Task Forces for each of the

six horizontal areas. The Task Forces were composed of civil servants from relevant institutions of all levels of administration and external experts who were mostly from the international organisations, such as the UNDP, EU Delegation, OHR, National School of Government (Great Britain), etc. The Task Forces met regularly during March and April 2006 ending in a joint workshop for all the Task Forces where the concept on PAR Strategy was agreed. Additionally, the PARCO organised media events, public opinion polls and thematic workshops which gathered representatives of the civil society organisations, the academic community and the business and private sector. These events were used as a basis for identification of PAR vision and overall goals based on the inputs from wider society.

Preparation of the PAR Strategy in BiH reflected the complex country context of multiple structures and post-conflict society. The process involved a number of structures with stakeholders ranging from the international community to members of civil society.

3.2.2. Contents of the PAR Strategy

PAR values PAR Strategy of BiH is closely linked to the principles and values of the EU community – principles of the European Administrative Space, European Commission White Paper on Governance, standards of good governance standardised by SIGMA. The principles of efficiency, effectiveness, reliability, predictability, openness, transparency, and accountability are incorporated in the vision and objectives of PAR Strategy.

PAR key reform areas and initiatives. PAR Strategy of BiH includes most ´traditional´ PAR reform areas, which are typical of a newly established country – reforms in human resources management, capacity development, institutional reorganisation, coordination and policy making, public finance management, administrative procedure, institutional communication, and IT/e-government. Bearing in mind the complex multi-level administrative structure in BiH, the reform area relating to institutional communication is of great importance. Some other aspects of PAR agenda such as strategic planning, better regulation, anti-corruption and impartiality are further detailed in the RAP1. The areas/initiatives of PAR Strategy are illustrated in Table 5 below.

Table 5: Key Reform Areas of PAR Strategy BiH

	EFFECTIVENESS/ RELIABILITY/ PREDICTABILITY					
	CIVIL SERVICE	**GOOD GOVERNANCE**	**BETTER REGULATION**	**PFM**	**E-GOVT**	
EFFICIENCY	Recruitment Mobility Performance management Remuneration Training Impartiality Conflict of interest Anti-corruption training	Policy development Administrative procedure Institutional communication Strategic planning	Impact assessment Public consultations Administrative simplification	Budget management and preparation Accounting	Legal framework Infrastructure E-services	**TRANSPARENCY**
	RESPONSIBILITY/ ACCOUNTABILITY/ OPENNESS					

Measuring success. PAR Strategy does not provide for any performance indicators, baselines or targets against which success of PAR Strategy implementation has to be measured and monitored. Output monitoring should be done based on the implementation of the Action Plans whereas the outcome monitoring would be done against the achievement of vision and goals following the implementation of the Action Plan.

With no clear performance indicators and targets, the monitoring and evaluation is less transparent and objective.

3.2.3. Implementation Arrangements of PAR Strategy

Most implementation and monitoring arrangements for PAR Strategy were foreseen in the PAR Strategy itself. The arrangements included institutional structure, funding, monitoring and evaluation provisions. **Institutional structure** was defined following negotiations between different levels of administration and the adoption of the document "Common Platform on the Principles and Implementation of the Strategy on Public Administration Reform Strategy Action Plan"[17]. It identified a complex management structure, its roles and responsibility for the implementation and the monitoring of the reform. This multi-layered structure included several levels of responsibility at:

17 PARCO, ´Common Platform on the Principles and Implementation of the Strategy on Public Administration Reform Strategy Action Plan", (2007), available at: parco.gov.ba//?id=62.

- political level (Coordination Board for Economic Development and European Integration)
- technical coordination level (PARCO, state, entity and BD PAR coordinators)
- technical implementation level (seven Supervisory Teams comprised of high-level civil servants).

In addition to this, responsible institutions were identified in the Action Plan.

The **funding arrangements** significantly strengthened the implementation of PAR Strategy. The arrangements include the Memorandum of Understanding for the establishment of the PAR Fund[18], which institutionalised financial support channelling donor funds to the implementation of the reform measures. The donor coordination for the sector is conducted via the meetings of the PAR Fund (PARF) Joint Management Board comprised of the government representatives (PARCO and the PAR coordinators), a representative of the Ministry of Finance of BiH and representatives of the Donors.

Monitoring and evaluation responsibilities are defined for each stakeholder in the Common Platform. The Supervisory Teams and PAR Coordinators have to provide information and data on progress in specific areas. The sole responsibility to track progress and report to the Council of Ministers was mandated to the PARCO[19]. Bi-annual reports are prepared by the PARCO based on the inputs collected by its own monitoring and the data collected through the coordination structure. The Reports are submitted to the Council of Ministers for adoption, while the Entity and the District Governments are adopting the Report as information, submitted by the PAR coordinators[20].

Despite the fact that BiH PAR monitoring is ´internally´ driven, there have been several initiatives to carry out external evaluations and monitoring activities involving external organisations or institutions. One of the first steps in that direction is SIDA financed project ´Monitoring of the PAR in BiH"[21], where two CSOs were selected to perform impact-based monitoring

18 PARCO, ´Memorandum of Understanding on Establishment of the Public Administration Reform Fund´, (2007), available at: parco.gov.ba//?id=40.
19 Council of Ministers (2004), ´The Decision on Establishing the Public Administration Reform Coordinator´s Office of Bosnia and Herzegovina" (amended), available at: parco.gov.ba/?id=974.
20 Buha, D., Karisik, A. and Zekovic, M., ´Monitoring and Evaluation System of the PAR in Bosnia and Herzegovina" in ´Effective Policy-Making: How to Ensure Desired Changes through Successful Implementation of Policies", ReSPA 7th Annual Conference proceedings: Regional School for Public Administration, (2013), available at: www.respaweb.eu/download/doc/7th+Conference+Proceeding+2013.pdf/7f5d73268fd99867f320f3909423e8f3.pdf, pp. 159-178.
21 Transparency International BiH, ´Public Administration Reform Monitoring", (2014), avai-

of achievements within PAR. Moreover, during the revision of the Action Plan 1 in 2010 an evaluation of PAR implementation in the period 2006-2010 was carried out. In-depth analysis of all six reform areas was carried out in order to revise the Action Plan. Furthermore, within the scope of the PAR Fund, the framework for the evaluation of reform projects was established, and so far seven evaluations of the PARF funded projects have been conducted.

3.3. Methodologies used in CROATIA

Since gaining independence, Croatia has gone through several phases of public administration development[22].

1990 – Phase of establishment After the adoption of the Constitution in 1990 Croatia had to build an administrative apparatus, especially in those administrative areas that didn´t exist when Croatia was one of the federal republics of the former SFRY. Although, there was no PAR strategy adopted for building of the new administrative structure, the role model was found in the French semi-presidential centralised system of government.

1993 – Phase of consolidation With adoption of several important laws in 1993 that regulate various aspects of public administration in Croatia (e.g. Law on state administration, Law on local government, etc.), the phase of consolidation of public administration began. This was in many ways a continuation of the previous phase marked by the deep politicisation of public administration, a high level of centralisation and a lack of mechanisms of sound administrative coordination.

2000/2001 – Phase of modernisation (early stage of Europeanisation) The Constitutional reform in 2000 and replacement of the semi-presidential system of government with a parliamentary one was the beginning of a deeper modernisation process of public administration which established a foundation for the introduction of principles of the European Administrative Space into Croatia´s public administration. In 2001 Croatia signed Stabilization and Association Agreement with the EU and in 2003 it formally submitted application for the full EU membership.

2005 – Phase of Europeanisation of public administration With the opening of the negotiation process for the EU membership in

lable at: ti-bih.org/en/projekti/monitoring-reforme-javne-uprave-parm.
22 Dr. sc. Ivan Kopric, Contemporary Croatian Public Administration on the Reform Waves, (2013).

October 2005, the new phase in development of public administration in Croatia began. The negotiation process stimulated the harmonisation of the Croatian legal system with the EU *acquis communautaire* and the establishment of administrative structures to effectively manage EU affairs in the future. State Administration Reform Strategy (SARS) was adopted by government in March 2008 – after several years of preparation in the Ministry of Administration (former State Office for Administration) – and covered the period from 2008-2011. The Civil Service Human Resources Development Strategy (CSHRDS) was prepared by the Ministry of Administration (MA) and was formally adopted by the government in December 2009. In 2010 the Croatian constitution was changed in order to incorporate legal grounds for functioning as part of the EU.

2013 – Phase of the EU membership On July 1 2013 Croatia became 28th member state of the EU. It started to fully participate in the policy process of the EU as well as in the implementation of its *acquis communautaire* and public policies.

Between 2011 and 2013 both of the strategies which related to PAR and civil service reform have expired. No new strategies have been developed up until mid-2014. The MA approved its Strategic Plan for 2015-2017, however, this document cannot be considered a government-wide PAR strategy.

3.3.1. Institutional Set-up and Methodology for PAR Preparation

The preparation of the SARS 2008-2011 and 2010-2013 CSHRDS were supported by international, especially EU, projects. Development of the SARS and CSHRDS was undertaken under the auspices of the Ministry of Administration (MA). In the development of both documents, in-house working groups supported by external experts (e.g. university professors and foreign consultants) were established. The external experts were engaged through internationally – mostly EU – funded projects aimed at strengthening particular aspects of public administration. As in the case of most Western Balkan countries, preparation of the PAR strategy in Croatia did not follow any specific methodology.

The SARS was drafted by the MA. No formal working body was established. The draft of the SARS was consulted with the public through a round table called *Reform of Croatia´s State Administration* organised by the Croatian Academy of Sciences and Arts as well as with academia, the Economic and Social Council, the Tripartite Council and the World Bank.

CSHRDS was developed by a working group comprised of civil servants and it was supported by external experts through a technical assistance project.

3.3.2. Contents of the PAR Strategy

PAR Strategy and Civil Service Strategy objectives SARS identified 5 objectives that covered typical areas of PAR, except public finance management. However, the scope of the PAR Strategy was limited to central public administration and to administrative services only (the Strategy did not foresee the improvement of public services).

Table 6: Key Reform Areas of PAR Strategy - Croatia

	EFFECTIVENESS					
	CIVIL SERVICE	**GOOD GOVERNANCE**	**BETTER REGULATION**	**PFM**	**E-GOVT**	
EFFICIENCY	Depolitisation Anti-corruption and ethics Remuneration Training and development	Strategic planning Reorganisation of institutions Coordination Openness	Programme formulation Regulatory Impact Assessment	—	Simplification Strengthening of e-government	**TRANSPARENCY**
	RESPONSIBILITY/ ACCOUNTABILITY					

CSHRDS proclaimed and briefly explained basic civil service values such as professionalism, accountability, ethics, impartiality and efficiency. It identified 5 objectives limited to one segment of PAR Strategy – civil service. The objectives are presented in Figure 4 below.

Figure 4: Objectives of CSHRDS of Croatia
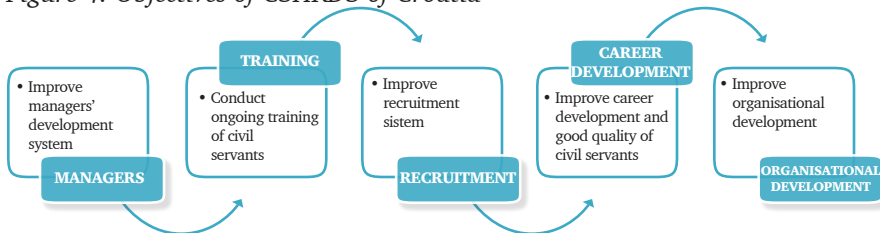
Measuring success The indicators of SARS implementation were descriptive, broad and insufficiently precise, which makes the monitoring and evaluation of SARS implementation difficult. CSHRDS, on the contrary, contained 55 implementation indicators, which allowed continuous monitoring of implementation. Indicators were developed at the level of each objective.

3.3.3. Implementation Arrangements of PAR and CSHRD Strategies

The SARS itself did not provide for clear guidance for **institutional, funding and monitoring** arrangements. It provided for very general provisions on implementation, monitoring and evaluation which did not allow for the creation of assured responsibilities and procedures for monitoring and evaluation. To monitor the implementation of the SARS, the Croatian government established the National Council for the Evaluation of the Modernization of State Administration. The Council had 13 members representing Parliament, government, civil society, trade unions, experts and the National Competitiveness Council. The President of the Council was the President of the Croatian Parliament. Due to the high level of political representation, the Council convened very rarely and was unable to perform its tasks, which were: control of and support to the reform; monitoring and evaluation of the reform; and provision of recommendations and revision of the SARS. After the establishment of the MA in 2009[23], the National Council for the Evaluation of the Modernization of State Administration was dissolved and the MA became responsible for the coordination of the process of reform and modernisation of the entire administration, including monitoring and evaluation of the SARS.

There was a fruitless attempt to amend the Strategy in 2010. When SARS expired in 2011, there was no further effort to adopt a new Strategy. The SARS was almost completely ignored in its implementation[24]. Only in 2012 the MA prepared and submitted to the government a detailed report on the implementation of activities. Currently Croatia is going through the process of preparation of a new PAR strategy.

The CSHRDS envisaged a **monitoring and reporting mechanism** which was in line with general, everyday work of administration. The government had the overall responsibility for implementation. The MA had a central role in the process and reported to the government on an annual basis and line ministries were obliged to report to the MA.

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23 State Office for Administration until the establishment of the Ministry of Administration in 2009.
24 Ivan Kopric (2011), Contemporary Croatian Public Administration on the Reform Waves.

3.4. Methodologies used in KOSOVO

The state administration in Kosovo has a specific development. It started from the establishment of the UNMIK administrative structures and the provisional government and then gradually transferred responsibilities to the newly established institutions of Kosovo. The UN mission in Kosovo was composed of several international organisations significantly influencing the way Kosovo administration was organised. Administrative development was undergoing two parallel processes - gradual establishment of institutions from scratch or through transfers of competences from UNMIK, and reform of those institutions already functioning. Therefore, the development of public administration in Kosovo can be divided into two phases, while the third phase is just about to start.

First Phase - PAR Strategy Development Process PAR began in 2006 with the first Public Administration Reform Strategy 2007-2013 and its implementation plan. PAR Strategy was a comprehensive policy document that covered eight broad areas of public administration. The implementation of PAR Strategy was coordinated by an inter-ministerial Working Group for Public Administration Reform (PAR WG) and it was supported by six technical sub-working groups.

Second Phase – Functional Review process and second generation PAR Strategy The functional review process, which was requested by the new Kosovo government in 2008 after Kosovo declared its independence and took place between 2008-2010, marked the beginning of the second comprehensive phase in the PAR process in Kosovo. This exercise was considered as the broadest exercise of functional reviews in the region. It produced findings and recommendations, which laid foundations for the new PAR strategic framework in Kosovo. The second PAR Strategy 2010-2013 and its implementation plan were approved by the Kosovo government in 2010[25].

Third phase – Development of third PAR Strategy A PAR Roadmap for 2014 was approved by the government at the beginning of 2014. This document serves as a priority-setting framework for PAR and as a transitional mechanism between the last PAR Strategy and future developments. In June 2014, the Ministry of Public Administration (MPA) launched the preparation of new PAR strategy that is expected to be completed by the end of 2014.

In the following sections the preparation, contents and implementation of the second 2010-2013 PAR Strategy will be analysed.

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25 Government Decision no 07/145 on approval of the Strategy on Public Administration Reform.

3.4.1. Institutional Set-up and Methodology for PAR Preparation

The preparation of the second PAR strategy in Kosovo was influenced by the international community. Even though there was no specific methodology applied at that time, the preparation process followed two strategic stages: process and function review and the preparation of strategic direction. The stages are illustrated in Figure 5 below.

Figure 5: Strategic Stages in PAR preparation
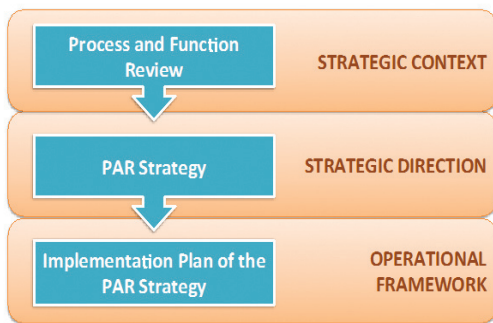
The preparation of the PAR Strategy 2010-2013 was preceded by a **comprehensive functional review** aimed at reviewing governmental structures and processes. Functional reviews constitute a significant stage in PAR Strategy development ensuring the use of solid evidence in the decision-making process. To oversee the functional review process, political and administrative structures were established. At the political level, the PAR Commission was established and at the administrative level, Review and Planning Teams were composed of senior ministry officials. The PAR Commission was composed of the Deputy Prime Minister as the chair[26] and the Ministries of Finance, Justice and Public Administration. The Commission´s mandate was to ensure strategic coordination and resource allocation, to initiate changes to the legal framework, to support the implementation of functional reviews and to ensure linkages with the Kosovo PAR Strategy. The mandate of the PAR Commission was also extended to the drafting of PAR strategy and its Action Plan based on recommendations from the functional reviews.

The functional review process covered a broad spectrum of 14 government functions:

1) Human resource management
2) Policy Coordination System
3) Public Communication system
4) European Integration Management System
5) Donor Coordination system
6) Legislative Drafting System

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26 Since 2013 the Chair of the Commission is the Minister of PA.

7)   Anti-corruption System
8)   Public Finance Management
9)   Audit and Control
10) Public Procurement
11) Diversity and Human Right System
12) Administrative Procedure making
13) E-government
14) PAR management review.

Functional reviews were conducted based on a unified methodology which involved a broad spectrum of methods from desk research to interviews and surveys. In addition, a comparative study of public administrations of seven EU member states[27] was carried out. Countries were selected as comparative examples to Kosovo due to their population and geographical size, and best practices in administrative work.

The findings and recommendations of each functional review were presented and discussed by Review and Planning teams, distributed to stakeholders, presented and approved by the PAR Commission.

The functional reviews had two distinctive strategic outcomes which served as an input for the:
• development of the PAR Strategy 2010-2013
• preparation of strategic development plans for each of reviewed institution.

Different from other Western Balkan countries, the **preparation of the PAR Strategy** in Kosovo was mostly a civil service driven process. It was developed by a team of ministry representatives under coordination of the Department of PAR in the MPA. The draft PAR Strategy was consulted with all involved institutions responsible for implementation. There was neither a formal decision on the establishment of the working group or specific development methodology adopted[28]. At the political level, the development of PAR Strategy was overseen by the PAR Commission. Later, a working group chaired by the General Secretary of the MPA and composed of representatives from the Office of the Prime Minister (OPM), MPA and Ministry of European Integration (MEI) was established to prepare an Action Plan for 2012 – 2014.

It is important to mention that the role of civil society in the preparation and implementation of the PAR Strategy 2007-2013 was rather strong. A Group

27 Countries selected were: Slovakia, Lithuania, Slovenia, Latvia, Estonia, Finland, Ireland.
28 Formal government guidelines were developed by the Strategic Planning Office established in the Office of the Prime Minister (OPM) in 2010 in the form of the Administrative instruction 02/2012 on the Criteria, Methodologies and Procedures on Preparation of Strategic Documents and Their Implementation Plans.

of Experts for the Public Administration Reform (GEPAR) tasked to draft the assessment report, draft PAR Strategy and Action Plan 2007-2013 was chaired by a civil society representative and consisted of civil society representatives, business representatives and government officials at both political and administrative levels. Moreover, a PAR Working Group chaired by the Permanent Secretary of the MPA and composed of directors of departments of institutions responsible for implementation of PAR was established[29]. In GEPAR civil society representatives were directly involved in the strategic analysis and development of PAR Strategy and Action Plan, while their role in PAR implementation and the monitoring working group was to advise and oversee the implementation of PAR.

Active engagement and leadership of public sector institutions in PAR Strategy 2010-2013 preparation and implementation is a very positive development. Participation of civil servants increases the ownership of PAR Strategy and improves administrative capacity.

3.4.2. Contents of the PAR Strategy

PAR Strategy objectives. PAR Strategy 2010-2013 covered twelve objectives managed by three main ministries - OPM, Ministry of Finance and MPA:

OPM mandate	MoF mandate	MPA mandate
• Policy management • Legislative drafting • Ethics and transparency • Communication and participation of citizens	• Budgetary planning • Budgetary execution • Internal control and auditing • Public procurement	• Organisation of the public administration • Human resources management/development • Rationalisation of the electronic administrative processes • Electronic Government

To compare the contents of Kosovo PAR Strategy with those of other Western Balkan countries, the objectives and sub-objectives are grouped under several broader areas illustrated in Table 7 below.

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29 PAR working group was chaired by the MPA Permanent Secretary and composed of the Director of the DCSA/MPS, representatives of the Agency of European Integration/OPM, Ministry of Economy and Finance, Ministry of Local Government Administration and Sub-working Group Coordinators.

Table 7: Key Reform Areas of PAR Strategy - Kosovo

	EFFECTIVENESS					
	CIVIL SERVICE	**GOOD GOVERNANCE**	**BETTER REGULATION**	**PFM**	**E-GOVT**	
EFFICIENCY	Depolitisation Remuneration Recruitment and promotion Capacity building and training Anti-corruption and ethics	Reorganisation of public administration Policy Development Strategic planning Communication standards within the government and with the public	Legislative drafting Legal scrutiny	Budgetary planning Budgetary execution Internal control and auditing Public procure-ment	Rationalisation of electronic administrative processes Electronic gov-ernment	**TRANSPARENCY**

Analysing the objectives of Kosovo PAR Strategy, one notices a greater focus on public finance management compared to other PAR Strategies in the Western Balkans. Out of twelve PAR Strategy objectives, four were related to improving public expenditure management and efficiency. As in other Western Balkan countries, the PAR Strategy in Kosovo identified objectives to improve management systems and practices at central government level through better legislative and organisational framework. However, improvement of governance at local government level and improvement of public services did not fall under PAR framework.

Measuring success Kosovo PAR Strategy did not have any performance measures and targets upon which success of implementation could be measured. Performance indicators were elaborated for the PAR Action Plan. However, these primarily focused on inputs or outputs, such as preparation or approval of legal acts or planning documents, instead of the impacts of results of the reform.

3.4.3. Implementation and Monitoring arrangements of PAR Strategy

The PAR Strategy stipulated the following responsibilities in the area of implementation, monitoring and reporting:
- PAR Commission is the driving force for the implementation of Strategy, strategic decisions and the overall oversight of PAR implementation
- Each respective institution is in charge of establishing internal monitoring and reporting procedures
- General Secretaries of respective ministries[30] are in charge of implementing, monitoring and reporting on implementation of objectives
- Reporting is done on quarterly basis as part of regular reporting on government´s annual plan. The reports are sent to the MPA, which, through the minister of Public Administration, reports to the PAR Commission and to the government.

In practice coordination of PAR Strategy implementation is exercised through the PAR Commission, the Department for Managing Public Administration Reform (DMPAR) of the MPA, the PAR working group and sub-working groups.

Figure 6: PAR Strategy Implementation Structure
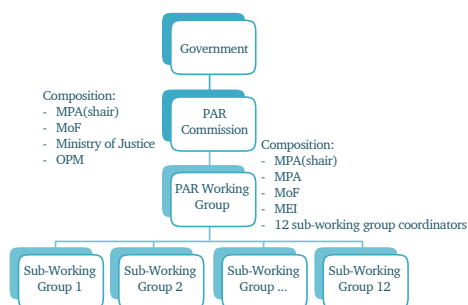
12 sub-working groups, one per each PAR objective, report to the PAR working group on a quarterly basis. They are chaired by the coordinators assigned by the key institutions in charge of objectives. The Chair of the PAR working group reports to the PAR Commission which, in turn, is accountable to the government.

The role of the DMPAR is to coordinate the reform process across the public sector. Based on reports of the sub-working groups, the DMPAR prepares regular quarterly and annual reports. The report is compiled following a methodology developed by the DMPAR where performance is assessed assigning scores from A to D. This is a good example of methodological approach to monitoring and reporting in the Western Balkans. However, the methodology has to be improved to shift the focus from activities to outcomes and outputs.

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30 OPM, Ministry of Finance, MPA.

In addition to regular monitoring reports, the DMPAR carried out a comprehensive assessment of PAR strategy implementation during 2010-2013. The assessment was supported by SIGMA international and Kosovo experts who helped the MPA develop a methodology and draft the report. The report resulted in a number of conclusions and recommendations upon which a new PAR Strategy will be prepared.

Despite this being one of the most systematic approaches to monitoring and reporting in the Western Balkan countries, it still needs further fine-tuning to shift the focus of analysis and discussion from activities, processes and inputs to outcomes and strategic insights. It is necessary to improve analytical skills of the civil servants in order to improve analysis and ensure provision of evidence in decision-making and policy improvement.

3.5. Methodologies used in MACEDONIA

Macedonia has been facing huge economic, political and administrative challenges since its independence in 1991. As a result, the government of Macedonia in the last 20 years has adopted and implemented many strategies in order to stabilise and boost the development in different sectors and become a full member of the EU. Among the many strategies, two PAR Strategies were adopted in 1999 and in 2010.

The main focus and objectives of the PAR Strategy 1999 were: to transform the principles of the Rule of law, Transparency, Competency, Stability, Responsibility, Predictability, Equal Treatment, Efficiency and Ethics into the legal framework; to establish new institutions (including a body in charge of civil service) or strengthen existing institutions; and to strengthen administrative capacity. Despite ambitious goals and the long implementation period of the PAR Strategy 1999, there were no significant positive achievements in the field and further reform was required. The need for continuous reform was also highlighted in the EC Progress Report 2011 which stated that despite the progress made in terms of public administration, ´Major shortcomings remain, in particular regarding the rules on recruitment, appraisal and promotion; appointment of senior managers; and termination and employment".

In 2010 the second generation PAR Strategy 2010-2015 was prepared and adopted. The results of this Strategy are expected in the areas of public finance, human resource management, E-government and management, and corruption.

3.5.1. Institutional Set-up and Methodology for PAR Preparation

The Republic of Macedonia is currently guided by two main priorities - the integration to the EU and NATO and economic development, which cannot be effectively addressed without thorough and careful planning. The Manual for Strategic Planning was elaborated as a joint effort of the General Secretariat of the Government and local Consultant from the GOFRE project funded by the government of the United Kingdom. The Manual is used as a main planning tool by all institutions developing planning documents. The contents of the Manual are briefly described in the Table below.

Table 8: Structure of the Manual for Strategic Planning

Chapter 1: Introduction
- The purpose of the manual for strategic planning
- The legal framework for the process of strategic planning
- The need for strategic planning?
- What actually is strategic planning?
- The advantages of the strategic planning
- The features of successful strategic planning
Chapter 2: Preparation for the planning process
- Who should prepare the plan?
- The process requires time and commitment
- Cooperation between the ministries and the other stakeholders
Chapter 3: Analysis of the current situation
- Methods and tools
- Analyses of the internal situation
- Analyses of the surrounding conditions
- Analyses of the stakeholders
Chapter 5: Defining the Strategy and Implementation Plan
- Defining the strategy
- Preparing of the policy programs
- Phases in the process of preparation of the programs
- Feasibility of the strategic plan and budgeting
- Preparing of the implementation plan.
- Defining success indicators
- Categories of success indicators
- Choosing indicators
- Collecting data
Chapter 6: Monitoring, Reporting and Evaluation
- The importance of the monitoring and evaluation process
- Preparing reports
- Updating the strategic plan
Annexes
- Appendix 1 – SWAT Analysis
- Appendix 2 – Risk management
- Appendix 3 – Example of an implementation plan

The preparation of PAR Strategy followed the main principles and stages described in the Manual for Strategic Planning – assessment stage, development stage and consultation stage. The stages are illustrated in Figure 7 below.

Figure 7: Stages in PAR Preparation

The preparation of the PAR Strategy 2010-2015 was developed under the leadership of the General Secretariat and supported by the IPA 2009 project[31]. The preparation process involved both a wide spectrum of public sector institutions and the wider public. **The Steering Committee** was established to coordinate the preparation of PAR Strategy. It was represented by the following officials: Secretary General of the General Secretariat (Chair), representatives of Sector for Policy Analysis and Coordination of the General Secretariat, Government Secretariat for European Affairs, Ministry of Justice, Ministry of Finance, Ministry of Local Self Government and Civil Service Agency. In addition to this, working groups consisting of representatives of various ministries and agencies for different aspects of the Strategy were established. The preparation of PAR Strategy was preceded by an **assessment stage** which was done by the Project. The Project staff assessed the results achieved by implementing the PAR Strategy 1999 and its Action Plan and formulated recommendations. Achievements and good practices from other countries were also analysed.

To attain the views of the **wider public**, the above-mentioned Project team designed and delivered awareness raising activities, organised workshops and public debates to enable public consultation on the draft PAR Strategy.

3.5.2. Contents of the PAR Strategy

Analysing the contents of PAR Strategy, one immediately notices two tendencies – ´an all-inclusive" approach in terms of scope (issues covered by the Strategy) and levels of administration; and ´strategic to operational" approach in terms of the initiatives planned. First, PAR Strategy aims to cover all issues relevant to public management sphere - from more traditional

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31 ´Strengthening the capacity of the General secretariat - sector for policy analysis and coordination - unit for public administration reform and unit for NGO cooperation (EuropeAid/127747/C/SER/MK)".

issues such as policy coordination and civil service to less common ones like audit or public procurement. Moreover, the Strategy also stipulates that objectives and reform areas will be applicable to all levels of administration – state, regional and local. Second, the PAR Strategy aims at implementing a busy agenda from key achievements (reform program for change) to a number of very specific actions. This approach makes the document both a strategic and operational document.

Such PAR agenda shows very high expectations and ambitions especially given the time frame of 5 years and the levels of administration to be covered.

PAR Strategy scope The contents of the PAR Strategy are presented using three different axes – specific objectives, cross cutting functions and horizontal pillars – which overlap. The PAR Strategy outlines five specific objectives, which reflect the most relevant cross cutting functions of the public administration, nine cross cutting functions of public administration (scope) and six horizontal pillars. Such presentation of aspirations in the PAR Strategy calls for a more simplified presentation of objectives and prioritization. The complexity of the PAR Strategy contents is illustrated below:

Objectives	Cross cutting functions	Horizontal pillars
Improve the quality of administrative services	Business process optimisation and simplification; Simplification of administrative procedures and services;	Administrative procedures and administrative services;
Improve human resources management and development	HRM and HRD function;	
Improve strategic planning and policy coordination	Policy making function; Collaboration and coordination function;	Strategic planning, coordination, policy making and better regulation;
Increase efficiency and effectiveness of public finance system	Public finance function;	Public finance management;
Improve openness and transparency	Access to public information;	
	Anti-corruption measures	Anti-corruption
	E-government	E-government and e-administration

To compare the contents of the PAR Strategy with the ones in the Western Balkan countries, a list of summarized initiatives under broader areas of public administration is presented in Table 9 below.

Table 9: Contents of the PAR Strategy

	EFFECTIVENESS					
	CIVIL SERVICE	GOOD GOVERNANCE	BETTER REGULATION	PFM	E-GOVT	
EFFICIENCY	Remuneration Recruitment, promotion and appraisal Capacity building and training Top civil service	Quality of administrative services Decision-making Policy Development Strategic planning Coordination and consultation Anti-corruption	Reduction of administrative burden Impact assessment	Budgetary preparation Internal financial control External and internal auditing Public procurement	E-government E-administration	TRANSPARENCY

Measuring success The Strategy itself does not contain any performance indicators and targets that could be used to measure and monitor success. Indicators are included in the Action Plan, however, and they are related to activities and measure processes or outputs with no reference to results and impacts.

3.5.3. Implementation and Monitoring Arrangements of PAR Strategy

The PAR Strategy implementation structure and process appear to be quite complicated. The institutions implementing the PAR Strategy Action Plan have to report to the Ministry of Information Society and Administration (MISA) on a weekly basis. The MISA, in turn, informs the Commission for Political System and a Special Committee for PAR. The mandate of the Committee for Political System is to review the draft laws and legislative initiatives and provide opinions to the government. The Special Committee for PAR was established within the framework of Stabilization and Association Agreement (SAA) and High Level Accession Dialogue (HLAD). Its mandate is to monitor progress and to provide guidelines and recommendations on the improvement of PAR within the HLAD framework. Both the Commission and the Special Committee report to the government which, in turn, reports to the Parliament on the implementation of PAR.

The analysis of the reporting process shows that significant resources are invested to report on the implementation of PAR. The frequency of the reports as well as the number of institutions involved in the reporting chain is very demanding in terms of time and resources. The reporting chain is presented in Figure 8 below.

Figure 8: PAR Reporting Chain
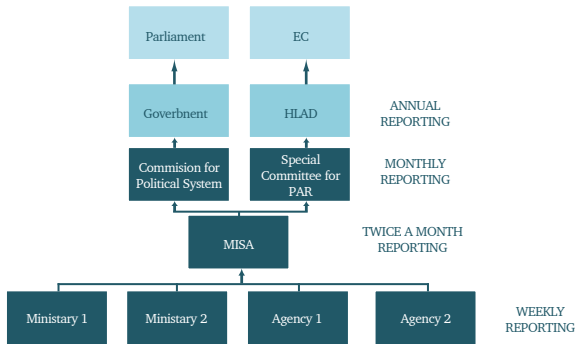
Often the implementation of PAR related measures require a longer-term perspective. PAR is often related to the reorganisation of existing or establishment of new institutions; creation and introduction of new models for human resources or public finances management; or similar initiatives that require thorough analysis and deliberation. In such cases, weekly reporting becomes redundant due to the slow progress and a lack of visibility of tangible results. Moreover, frequent reporting creates administrative burden and increases the focus on procedures rather than results. It is therefore necessary to structure the monitoring and reporting process to have a balance between administrative burden and timely information on performance.

3.6. Methodologies used in MONTENEGRO

Montenegro is the smallest country in Southeastern Europe region. According to the last census in 2011, there were 620,000 inhabitants, of which less than a third is employed. Furthermore, about 27,1% (58.841 employees) of all employees work in the public sector[32]. The transition in Montenegro, as in most other Western Balkan countries, began in the late 80s of the last century. However, there were no significant changes in the functioning of public administration. The system of public administration in Montenegro has been highly centralised with an increasing number of state bodies and public officials, in all sectors. The main reforms in the public administration domain and adaptation to the principles of the European Administrative Space started after 2000. In March 2003 the government of Montenegro adopted the first comprehensive Public Administration Reform Strategy 2002-2009 with the following objectives:

- increase the internal efficiency of the administrative system of government action

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32 Based on Labor Force Survey methodology. When comparing the number of employees in the public sector with the total number of registered employees, the percentage will be even higher – about 35.2%. Further information available at: Government of Montenegro: Plan for Internal Reorganization of Public Sector, July 2013.

III Analysis of methodologies used to develop and implement PAR strategies in the Western Balkans

- change administration with the purpose to include it in broader social systems
- transfer responsibilities to lower levels of public administration with the aim to enhance the quality of work, improve management of human resources and administrative services, develop public services and services that meet the needs of consumers as well as the optimal use of modern information technology[33].

The second PAR Strategy 2006–2011 was adopted in 2006. However, after 2006 the reforms in the public administration domain slowed down. When Montenegro became a candidate country, the EC Progress Report for 2010 and accompanying Analytical Report[34] contained very critical remarks in the area of public administration. As a response to the criticism in the EC Progress Report 2010, the government of Montenegro drafted a comprehensive Action Plan for monitoring the implementation of the recommendations of the EC with 151 activities. In the area of PAR the Action Plan contained seven priority measures and 14 activities planned for 2011. The activities had normative (e.g. adoption of new laws and bylaws), strategic (e.g. adoption of a new PAR strategy), and enforcement (e.g. training programmes, employment, etc.) character. Thus, the Action Plan significantly influenced the process of drafting the new PAR Strategy 2011-2016 adopted in 2011.

3.6.1. Institutional Set-up and Methodology for PAR Preparation

Preparation of the first PAR Strategy in Montenegro was very much influenced by the international community and in particular by the expertise of the EU funded project. This ensured the application of key characteristics of PAR preparation methodology. At the same time, the preparation of the second and third PAR Strategies was influenced by the transitional period during which public administration mandate was transferred from the Ministry of Justice to the Ministry of the Interior. This slowed down the implementation of the second and preparation of the third PAR Strategies. Moreover, no clear **methodology** was used to guide the preparation of the PAR Strategies.

It is important to mention that the **institutional set-up** for PAR Strategy preparation migrated from one ministry to another. As a result of this, the responsibility for preparation as well as coordination of implementation was dispersed and blurred.

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33 Government of Montenegro: Public Administration Reform Strategy 2002-2009, pp. 11-13.
34 Analytical Report accompanying the Commission Opinion on Montenegro´s application for membership of the European Union COM(2010) 670 Brussels, 9 November 2010; and European Commission: MONTENEGRO 2011 PROGRESS REPORT, Brussels, 12.10.2011, SEC(2011) 1204 final.

The preparation of the first draft of PAR Strategy 2011-2016[35] was coordinated by the Cabinet of the Deputy Prime Minister for political system, internal and external policies. For the preparation of the draft PAR strategy the government established an Expert Working Group which included representatives of various ministries: Interior, Finance, European Integration, and other relevant institutions. The Working Group was chaired by the Advisor to the Deputy Prime Minister for the political system, internal and external policies. The overall coordination of the preparation of the Strategy was led by the Cabinet of the Deputy Prime Minister, located in the General Secretariat of the Government. The first draft of the Strategy called ´Agenda of Administrative reforms in Montenegro 2010-2014 – AURUM"[36] was presented for inter-ministerial and broader public discussion. It received critical remarks and comments from SIGMA, UNDP, the World Bank and the Council of Europe. SIGMA Assessment report on Montenegro for 2011 stated that:

´The development of this strategy was largely driven by the perception that it was requested by donors and primarily by the EU integration process. The Government Council for Public Administration Reform had weak substantive capacities and did not succeed in producing a convincing and coherent reform agenda. The drafting of the AURUM was thus heavily dependent on input from outside sources and had limited inter-ministerial co-ordination. This generates doubts on its ownership by the Government of Montenegro, concerns on the will and capacity to implement it and – finally – on its sustainability[37].

Consequently, at the beginning of 2011, after elections in late 2010 and the formation of the new government, further work on the preparation of the PAR Strategy was taken over by the Ministry of Finance. The first draft of the AURUM was revised and the government adopted the PAR Strategy 2011-2016. The Strategy 2011-2016 contains also the Action Plan for the period 2011-2013.

3.6.2. Contents of the PAR Strategy

Despite a complicated PAR Strategy 2011-2016 preparation process, the contents of the PAR Strategy are rather broad and cover the following areas, including local government, which is missing in the case of most other Western Balkan countries:
- state administration
- local government

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35 The first draft of PAR Strategy 2011-2016 was projected for the period of 2010-2014, however due to a long preparation process it was approved in 2011. The period of its validity has also changed.
36 The acronym AURUM is a combination of Montenegrin and English title of the strategy.
37 SIGMA: Assessment Montenegro 2011, available at:, www.sigmaweb.org/publications/48970665.pdf, p. 3.

- other public service organisations which have public authority.

In each of these areas the Strategy assessed progress to date, the current situation and defined objectives and directions for future activities.

The main objective of the PAR Strategy 2011-2016 is to have an efficient, effective, professional, easily accessible and service-oriented public administration, which serves citizens and social and economic subjects[38].

Based on this general objective the following specific objectives are defined:
- Strengthening the rule of law and accountability of public administration
- Institutional stability, functionality and flexibility of the system of public administration
- Improving the business environment, raising the quality of public services and reducing administrative burdens
- Increase transparency and level of ethics in public administration

Further inclusion of Montenegro in the European Administrative Space.[39]

In addition, the Strategy indicates that raising the level of ethics for civil servants and combat against corruption in government bodies is one of the priorities of the government of Montenegro, but that it is specifically addressed in the Strategy for the Fight Against Corruption and Organized Crime and this Strategy would not address these issues in detail.

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38 The Government of Montenegro: Agenda for Public Administration Reform in Montenegro for 2011-2016 ´AURUM", p. 9.
39 Ibid.

The main reform areas outlined in the PAR Strategy 2011-2016 are presented in Table 10 below.

Table 10: Contents of the PAR Strategy at State Level

	EFFECTIVENESS					
	CIVIL SERVICE	GOOD GOVERNANCE	BETTER REGULATION	PFM	E-GOVT	
EFFICIENCY	Recruitment, promotion Capacity building and training Merit system	Institutional restructuring (rationalisation, efficiency) Quality of administrative procedures Strategic planning Inspection system Anti-corruption	Quality of regulations and policy documents (RIA)	Unified salary system Budget planning Expenditure control Improved accounting Internal financial control and audit External auditing	E-document management One-stop-shop Legislative framework E-public procurement	PROFESSIONALISM
	ACCESSIBLE AND SERVICE-ORIENTED					

It is important to stress that the PAR Strategy 2011-2016 places significant focus on the local government development. It foresees a number of initiatives, which are presented in Table 11 below.

Table 11: Contents of the PAR Strategy at Local Level

	EFFECTIVENESS					
	CIVIL SERVICE	GOOD GOVERNANCE	BETTER REGULATION	PFM	E-GOVT	
EFFICIENCY	Downsizing of civil service Training of civil servants Review of legislative framework	Decentralisation Development planning Modernisation of utility services Reform of communal police Citizen participation Inter-municipal cooperation Supervision of local government	Favourable business environment	Financing of local government	Strategic documents	PROFESSIONALISM
	ACCESSIBLE AND SERVICE-ORIENTED					

The PAR Strategy does not cover in detail reforms in the third field - public services and regulatory bodies. Although the Strategy clearly states that ´Montenegro does not yet have a core law that would regulate the legal status of organisations having authority in administrative system, which results in certain confusion over the definition of their legal status", it provides neither any specific deeper analyses of this segment of public administration or foresees further objectives and activities. Analysis of the public services and regulatory bodies is scheduled by the government of Montenegro in the 4th quarter of its Annual Work Programme 2014.

Measuring success PAR Strategy 2011-2016 does not contain any performance indicators and targets that could be used to measure and monitor success of Strategy implementation.

3.6.3. Implementation and Monitoring Arrangements of PAR Strategy

Even though the PAR Strategy 2011-2016 sets the basic implementation and monitoring arrangements, the mandates, structures and processes are blurred and unclear in practice. The Institute Alternative stated ´the jurisdiction for operational management of the Strategy implementation rests somewhere between the Ministry of Interior (having lost, meanwhile, the ´public administration´ indication from its name) and the Ministry of Finance, which is not a good solution since it leads to division of responsibilities or unclear shared responsibility."[40] Similar to that, SIGMA concluded that ´public administration reform process suffers from a lack of effective implementation mechanisms… These are not very promising preconditions for achieving results"[41].

Strategic management of Strategy implementation is mandated to the Council for Regulatory Reform and Improvement of Business Environment[42] and the Coordinating Committee for Local Government Reform. The Strategy states that ´The Council and the Coordinating Committee, following their mandates, will have the following tasks:
- Monitor and coordinate activities of administrative bodies and other relevant institutions in their areas in order to monitor the implementation of public administration reform;
- Stimulate cooperation between state bodies, municipalities, non-governmental sector, international organisations and other participants in the process;

40 State Administration Reform in Montenegro - Between ambitious plans and real possibilities, edited by Jovana Marovic, Institute Alternative, Podgorica, (2012), p. 44.
41 SIGMA: Assessment Montenegro, March 2012, Civil Service and Administrative Law, p. 4.
42 This Council was founded in early 2010 as the successor of the previous Council for removing business barriers, chaired by the Prime Minister.

- Monitor the implementation of specific legal solutions in the areas of their jurisdiction;
- To assess the progress of reforms in the public administration reform and give suggestions for concrete actions in order to determine the direction of reform;
- Establish guidelines and direction of the decentralization process of the overall system of public administration;
- Appreciate the effects of the adopted laws and other regulations pertaining to public administration reform, fortifying barriers in the implementation of laws and regulations and provide concrete suggestions for the removal of barriers that have been identified;
- Consider any other matters relating to administrative reform in order to improve the efficiency of the implementation of strategic documents in their jurisdiction"[43].

Also, the Strategy obliges the Council and the Coordinating Committee to prepare every six months reports to the government on the status of implementation of activities defined by this strategy[44]. However, the Council for Regulatory Reform has not yet submitted any report to the government on the implementation of the PAR Strategy and its Action Plan. Only in December 2013, the Ministry of Interior submitted the first report on implementation of the Action Plan. A new report is currently in the process of preparation[45].

Overall, the mandate related to the reform of public administration is not explicitly specified among the tasks of the above-mentioned Council. This Council is far more committed to the economic and financial sector issues and relations between business and state. Consequently, the implementation of the Strategy has shifted to cost saving and rationalisation. The shift in focus was also influenced by the Ministry of Finance which provides technical support to the Council and has a much stronger role in guiding the process than the Ministry of the Interior. In addition, global financial crises strongly influenced Montenegro in 2011 and 2012 and thus the focus of PAR shifted to issues of rationalisation and downsising of the public administration.

3.7. Methodologies used in SERBIA

PAR agenda in Serbia has been significantly influenced by the process of Serbia´s accession to the EU. The first PAR Strategy adopted in 2004 introduced 5 basic principles of the reform: decentralisation, depolitisation,

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43 The Government of Montenegro: Agenda for Public Administration Reform in Montenegro for 2011-2016 ´AURUM", pp. 52-53.
44 Ibid., p. 53.
45 Interview with Director of the General Directorate for State Administration and Local Self-governments in Ministry of Interior.

professionalisation, rationalisation and modernisation. These principles were further elaborated in the Action Plan of the PAR Strategy covering a period of four years. Further implementation of PAR agenda and principles was ensured through another Action Plan for 2009 – 2012. In 2014 the Serbian government approved the second PAR Strategy. In comparison with the previous PAR Strategy, the new Strategy envisages a much broader scope for PAR process in accordance with EU standards in this area (by introduction of areas such as public finance management and the fight against corruption, etc.) and commits special attention to harmonisation of PAR process with the EU integration process. The new PAR Strategy covers a broader field of public administration – state administration, local self-government and other forms of exercising public authority, while keeping continuity with the previously adopted principles of PAR with a view to incorporate main reform directions currently outlined in various strategies within the single scope of the new PAR.

3.7.1. Institutional Set-up and Methodology for PAR Preparation

In compliance with international practice, the development of the PAR Strategy was a participatory process with the engagement of a great number of institutions and stakeholders from across Serbian society alongside the indisputable leading role of the Ministry of Public Administration and Local Self Government (MPALSG).

Preparation of the PAR Strategy did not follow any formally approved methodology. Instead, it observed the international practice of development of strategic documents. It followed the key stages of analysis, concept development, and preparation of the draft. Inter-ministerial and public consultation was used in all stages of PAR Strategy development. The PAR Strategy development process included a wide spectrum of both public sector institutions and the wider public. The main stages are presented in Figure 9 below. The MPALSG coordinated the preparation process through an EU funded (IPA 2010) project – ´Support to public administration reform".

The Analysis Stage involved data collection and review of previous reform achievements summarised in the Overview of the realisation of the Action Plan for public administration reform implementation in the Republic of Serbia for the period 2009 – 2012.

The Inception Stage included presentation of the original idea and concept of the Strategy to the numerous stakeholders, individuals and institutions. The concept was presented in a round table discussion chaired by the State Secretary of the MPALSG with over 50 representatives who were mostly civil

servants. The discussion involved the review of the existing documents and the introduction of the areas to be incorporated in the new Strategy. In order to achieve this, bearing in mind that there is no chapter in the Acquis, the first step was to analyse the existing sector strategies and compare them with the ´Indicative list of core requirements and complementary recommendations for Public Administration Reform (PAR) in candidate countries, potential candidates, and other interested third countries"[46], which provided guidelines on further strategy development process.

Figure 9: Stages of PAR Development

For the **Preparation Stage** a Project Group was re-established[47] in August 2011 with the purpose of facilitating the preparation of a new PAR Strategy and Action Plan for the forthcoming period. The Project Group was chaired by the MPASLG and comprised of representatives of all ministries and several relevant government services and other state bodies. In line with the Act of the Minister in charge for public administration, seven working sub-groups comprising of representatives from relevant institutions and EU funded projects were established. Each sub-group had between six and eight members and was responsible for a particular area of PAR: public administration, regional development and local self-government, other forms of public authority, public finances and public procurement, e-government, anti-corruption, and control mechanisms. They analysed the current status and achievements in particular area, identified key challenges and the desired status.

A public debate in the form of a round table discussion was initiated to receive feedback on the first draft of the document. Round table discussion was opened by the Minister in charge for public administration and Head of EU Delegation in Serbia. Numerous experts, representatives of the Project Group, representatives of international institutions, civil society organisations and media participated in the debate. All comments were reflected in

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46 Indicative list or core requirements and complementary recommendations for Public Administration Reform (PAR) in candidate countries, potential candidates, and other interested third countries, Directorate-General for Personnel and Administration, European Commission (2009).

47 The Project Group was established for the first time in 2009 with the purpose to prepare revised Action plan for implementation of public administration reform (the Action plan which was adopted in July 2009).

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a new version of the PAR Strategy. Involvement of a broad spectrum of stakeholders in the preparation of the draft Strategy was simultaneously the key challenge and success of the development process.

3.7.2. Contents of the PAR Strategy

Scope of the PAR Strategy The PAR Strategy in the Republic of Serbia ensures the continuity of previously initiated reforms extending their scope to the wider public administration system. The key reason for extending the scope of the Strategy primarily lies with the requirement to ensure the functional unity and standard quality of activities discharging specific types of administrative operations and public authorities, irrespective of the entities that perform them. Accordingly, the Strategy covers central administration authorities, bodies of Autonomous Provinces and local self-governments, public agencies and regulatory bodies. While the issues related to the quality, legal, efficient and effective performance of such public authorities are governed by the PAR Strategy, the conditions and manner of providing public services remain the subject-matter of other strategies and public policies in specific areas (such as health, culture, energy, etc.).

The objective of such an approach is to lay down the foundations for a system of standards for performing public administration operations and to align the system of civil servants´, organisation and IT and communication systems, while complying with the requirements for delivery of public services and functions.

Objectives of the Strategy The PAR Strategy declares five objectives, which determine the key standards of the planned reform measures and activities and represent the key pillars of PAR agenda:
- Improvement of organisational and functional sub-systems of PA
- Introduction of a harmonised public service system relying on merits and improvement of HR management
- Enhancement of public finance and public procurement management
- Enhancement of legal certainty and upgrading of business environment and quality of PA services
- Improvement of transparency, ethical and responsible approach in discharging the PA duties.

The summary of the key reforms under five objectives is provided in Table 12 below.

Table 12: Contents of the PAR Strategy

		EFFECTIVENESS				
	CIVIL SERVICE	**GOOD GOVERNANCE**	**BETTER REGULATION**	**PFM**	**E-GOVT**	
EFFICIENCY	Employment and remuneration Depolitisation, professionalisation Capacity building and training	Organisational and functional restructuring Decentralisation and deconcentra-tion Strategic plan-ning and policy coordination Administrative procedures Inspection control reform Transparency, participation Anti-corruption	Regulatory and legislative process	Budget planning and preparation Management and control of revenue Internal audit Public procurement	Coordination and legislative framework E-operations and business processes Information security	**RULE OF LAW**
	ACCOUNTABILITY/ TRANSPARENCY/ SERVICE-ORIENTED					

Measuring success The PAR Strategy does not contain any performance indicators and targets that could be used to measure and monitor success of Strategy implementation.

3.7.3. Implementation and Monitoring Arrangements of PAR Strategy

The PAR Strategy identifies new institutional and organisational structures for coordination, monitoring, reporting and evaluation of the implementation process of this Strategy. The coordination of PAR Strategy implementation envisages four levels of intervention. The implementation and monitoring system represents a combination of professional and political arrangements. The principal structure is illustrated in Figure 10 below.

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Figure 10: Implementation and Monitoring Structure
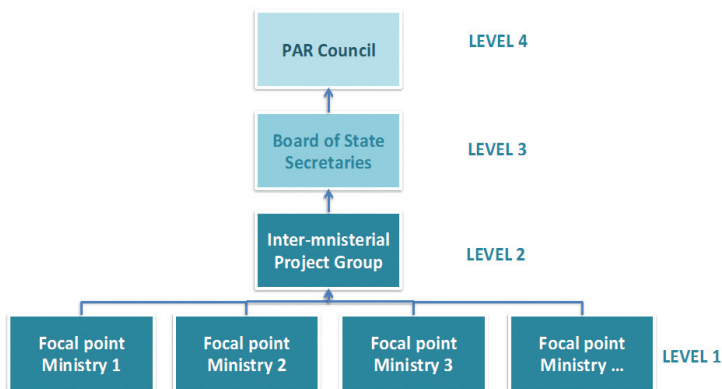
At Level one MPALSG is responsible for coordination of the PAR process. To assist with the implementation of the PAR Strategy it is necessary to ensure appropriate capacities within the MPALSG as well as other institutions involved in the PAR process through the appointment of one person tasked with monitoring, reporting and evaluation of the PAR Strategy.

At Level two an Inter-ministerial project group is mandated to perform expert coordination and monitoring of PAR Strategy implementation. The Project Group will coordinate implementation and draft reports on the implementation of the PAR Strategy. The members of the Group will be the secretaries of the Ministries. The Group will meet regularly, once in a month, and/or more frequently, if required (at the proposal of the MPALSG).

Level three - the Board of State Secretaries - is the first level of political coordination. The Board discusses the issues relevant for PAR and in particular those where no agreement is reached at the level of experts. The Board of State Secretaries proposes issues to be discussed at the sessions of the PAR Council.

Level four - PAR Council - has the strategic role in coordinating and managing the reform processes. The Council is chaired by the Prime Minister and will be responsible for initiating and proposing to the government the measures and actions relating to the PAR.

The Strategy foresees the monitoring and reporting process involving all four levels of implementation structure. It is expected that institutions in charge of PAR Strategy implementation will produce regular quarterly/semi-annual reports which will be processed and analysed by MPASLG and presented to the Project Group and Board of State Secretaries for discussion. The meeting of the

PAR Council will be convened at least once a year and thematic sessions of the government might be organised as well. To ensure quality information inputs into the monitoring and reporting process, a special Methodology for monitoring and reporting will be prepared. The Strategy also foresees regular evaluations – both internal and external – to follow the implementation, progress achieved and problems and challenges encountered.

The above mentioned PAR implementation, monitoring and evaluation process is exemplary in terms of ideas, however, it has not yet been tested in practice and its effectiveness remains to be seen.

IV Comparative Analysis of Public Administration Reform in the Western Balkans

This section reviews, summarises and compares the systems, practices, processes and approaches applied by the Western Balkan countries managing PAR. Comparative analysis will be done comparing the situation in seven Western Balkan countries against the following criteria relevant for this analysis:

• **Methodologies** used by the Western Balkan countries to develop PAR strategy
• **Institutional set-up** for the preparation of PAR strategy
• **Contents** of the PAR strategy
• **Implementation arrangements** for PAR strategy.

Description of the above-mentioned four criteria and its application is provided in Table 12 below.

Table 12: Description of Comparative Analysis Criteria

Criteria	Description
METHODOLOGY	**The country applied a formal or informal methodology (process) for the preparation of PAR strategy that led to 1) strategic analysis (analysis of the current situation in the area of public administration); 2) identification of aims and objectives, and measures (preparation of the draft PAR strategy); and 3) consultation process (inter-ministerial and public consultation).** The practice shows that existence of a formally approved methodology does not always lead to a good policy development process. Therefore, when comparing the Methodologies applied by the Western Balkan countries, particular attention will be paid to the practice applied to prepare PAR strategy rather than existence of formally approved methodologies.
INSTITUTIONAL SET-UP	**The country established political and expert set-ups to manage the preparation of PAR strategy.** Political and expert set-ups are crucial to ensure strategic direction and management and provision of evidence in policy development process.
CONTENTS	**The PAR Strategy of the country contains 1) traditional pillars of PAR agenda; 2) other innovative PA initiatives based on analysis of international trends of public administration; and 3) performance measures and targets to measure success of PAR Strategy implementation**. The traditional pillars of the PAR strategy are civil service, good governance, better regulation, public finance management, e-government and ethics and anti-corruption. Innovative initiatives are based on the analysis of public administration trends in Canada, the United Kingdom and Ireland and include such elements as community empowerment, participation, citizen charters, public spending reviews, performance pays, etc.
IMPLEMENTATION ARRANGEMENTS	**The country has established/foreseen political and expert set-ups to manage and oversee the implementation of PAR strategy**. Political and expert set-ups are crucial to ensure strategic advice, provision of evidence and timely decision-making.

The criteria described are based on the international and commonly applied practice in managing PAR agenda and the key steps of policy process. They are also based on the key stages in policy process generalised by SIGMA, and in particular Stages 3 – Preparation of Policy Proposals – and 5 – Inter-Ministerial Consultations[48] - which are relevant for this comparative analysis.

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48 SIGMA, ´The Role Of Ministries In The Policy System: Policy Development, Monitoring And Evaluation´ Sigma Paper No. 39, (2007).

4.1. Methodologies used by the Western Balkan countries

The country profiles described in Section III show that two countries – Albania and Macedonia – have applied approved strategic planning methodologies. Kosovo has an approved strategic planning methodology after the preparation of the latest PAR Strategy. However, the analysis of the PAR development practices in the Western Balkan countries shows that the availability of the Methodology has not always been the crucial factor in determining the quality of the PAR preparation. The quality of the PAR preparation was, in many cases, very much influenced by the expertise and skills provided by technical assistance projects that were used in most Western Balkan countries to support the preparation of PAR strategies. For example, Serbia, Kosovo and BiH have applied all stages of PAR preparation – strategic analysis, identification of aims and objectives, and the inter-ministerial and public consultation process. The comparison of the methodologies applied for the preparation of PAR strategy in the Western Balkan countries is illustrated in Table 13 below.

Table 13: Comparative data on methodologies

Country	Formal SP Methodology	Strategic analysis	Identification of aims and objectives	Inter-ministerial consultation	Public Consultation
Albania	YES	LIMITED	YES	YES	LIMITED
Bosnia and Herzegovina	NO	EXTENSIVE	YES	YES	EXTENSIVE
Croatia	NO	LIMITED	YES	YES	LIMITED
Kosovo	YES[49]	EXTENSIVE	YES	YES	NO
Macedonia	YES	MODERATE	YES	YES	MODERATE
Montenegro	NO	LIMITED	YES	YES	LIMITED
Serbia	NO	EXTENSIVE	YES	YES	MODERATE

4.2. Institutional set-up for the preparation of public administration reform strategy

Creation of appropriate institutional/organisational structures at political and expert levels for the preparation of PAR strategy ensures proper steering of the process, strategic direction and supply of evidence. The analysis of institutional

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49 Strategic planning methodology was approved after the PAR strategy has been prepared.

structures in the Western Balkan countries shows that most countries have established formal political structures to oversee the preparation of PAR strategy and expert/technical level structures to prepare or assist the preparation of PAR strategy. Only in the case of Croatia and Serbia there was no political steering set-up whereas Kosovo did not have a formal expert group established.

Table 14: Political and Expert Institutional Set-up

Set-up	ALB	BIH	CRO	KOS*	MAC	MONT	SER
Political	YES	YES	NO	YES	YES	YES	NO
Expert	YES	YES	YES	NO	YES	YES	YES

4.3. Contents of PAR Strategy

The analysis of PAR Strategy contents in the Western Balkan countries shows that most countries have included the most traditional pillars of the PAR agenda – civil service modernisation, creation of modern institutions, establishment of administrative procedure, improvement of decision-making, policy planning and coordination, improvement of budget planning and execution, e-government solutions, ethics and anti-corruption. These traditional pillars are important for the countries going through transitional processes, therefore this broad spectrum of pillars shows the importance of the PAR agenda for the government. Civil service, good governance and e-government initiatives were implemented by all countries. Public finance management was excluded from PAR agenda in Albania and Croatia. Table 15 illustrates the scope of PAR Strategies in the Western Balkan countries.

Table 15: Scope of the PAR Strategies

Country	ALB	BIH	CRO	KOS	MAC	MONT	SER
Civil Service	YES	YES	YES	YES	YES	YES	YES
Good governance	YES	YES	YES	YES	YES	YES	YES
Better regulation	LIMITED	YES	YES	YES	YES	YES	YES
PFM	NO	YES	NO	YES	YES	YES	YES
E-Gov	YES	YES	YES	YES	YES	YES	YES
Anti-corruption	NO	YES	YES	YES	YES	YES	YES
Public Services	NO	NO	NO	NO	NO	NO	NO
Local Government	NO	NO	NO	NO	NO	YES	NO
Performance Indicators	NO	NO	YES[50]	NO	NO	NO	NO

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50 Performance indicators were mostly descriptive and output/ process oriented.

Comparing the core focus of PAR agenda in the Western countries and the Western Balkans, one can immediately observe two approaches - citizen-oriented and state-oriented. The Western countries, in the face of crisis, are heavily investing in effectiveness, efficiency, citizen engagement, and leadership development. The key changes in the Western Balkan region are related to the establishment of modern structures, processes and systems. None of the countries have yet (significantly) embarked on the improvement/modernisation of public services, involvement of citizens in service co-design and co-delivery, and the ability of leadership to manage the change. In addition to this, only a few have defined an agenda for the local government.

The most worrying tendency is the absence of performance indicators and targets to measure and monitor the success of the implementation of PAR Strategy – none of the countries, except Croatia, have outlined performance indicators. Some countries have elaborated performance indicators for the Action Plans, however, in most cases they were output or activity related with no reference to results and impacts of PAR.

4.4. Implementation arrangements

The analysis of country experience in setting structures for the management of PAR strategy implementations shows that most countries have created political and expert bodies to produce reports and manage implementation. However, a number of discrepancies have been identified in applying monitoring and reporting arrangements into practice. Expect in the case of Bosnia and Herzegovina, all other countries were producing administrative or irregular reports. In the case of Montenegro the first report on PAR implementation was produced after nearly three years of implementation.

In a way this situation confirms a few possible tendencies. First, PAR Strategy is prepared as a result of external pressure such as EU integration or accountability for donors. Second, PAR is underestimated as an agenda able to substantially influence the efficiency and effectiveness of service delivery in the other sectors. Third, leading and implementing ministries´ capacities is not adequate to produce timely and quality performance information that would be relevant and interesting to decision-makers. Most Western Balkan countries have observed poor quality of reporting information. This shows that countries pay more attention to PAR Strategy preparation process and much less to implementation, reporting and policy improvement, which are crucial in achieving change.

V Conclusions

The analysis of the Western Balkan countries in the area of PAR has demonstrated that all countries have certain strengths and weaknesses. The **overall conclusions are as follows**:

- Most Western Balkan countries have undergone several cycles of PAR producing two or more strategic documents in this area. This shows that the governments are committed to reforming public administrations.
- In many countries the key driving force for PARs has been the EU integration process and donor requirements.
- As a rule, PAR strategies are prepared with significant support from technical assistance projects using external expertise. On the one hand, this presents the opportunity to apply best practice approaches by mobilising experience and expertise from different countries. On the other hand, the ownership of the PAR agenda is limited and administrative capacity is not effectively increasing by using external expertise.
- The administrative capacity of PAR-lead institutions to coordinate the preparation and monitoring process is rather limited and needs be strengthened.

Conclusions in relation to PAR Strategy preparation:

- Most countries have no specific methodologies for the preparation of PAR Strategy. However, the analysis has demonstrated that the absence of methodology does not have a significant impact on the quality of PAR strategy.
- Analysis of the current state of affairs – socio-economic progress, shortfalls and strengths in public sector, quality of public services, etc. - is vital in determining priorities and areas of intervention for PAR agenda. Comparative regional study shows that only a few countries (e.g. Bosnia and Herzegovina and Kosovo) have gone through a well-structured and planned assessment of the PAR environment.
- Sharing of best practices in PAR Strategy preparation, mobilisation of expertise and skills are the crucial factors influencing the quality of PAR process and contents. This can be done though technical assistance projects in the short and medium term, however, capacity should also be strengthened internally.
- The culture of establishing different working structures – political and administrative levels - to elaborate PAR Strategies has been very prevalent and effective.

Conclusions in relation to PAR Strategy contents:

- The contents of the PAR Strategy have focused extensively on civil service modernisation (recruitment, promotion, depolitisation, remuneration, training), reorganisation of institutions, improvement of administrative procedures, policy making, legislative drafting, e-government and anti-corruption.
- Less focus was given to the improvement of public finance management. In times of financial crisis, search for efficiencies has become an inseparable part of public management agenda in the Western countries.
- The PAR Strategy does not foresee modernisation of public services (e.g. quality standards, citizen charters, co-design and co-delivery, etc.) and local self-government.
- Absence of performance indicators and targets has been observed in all Western Balkan countries. This limits the possibilities to properly assess the impacts of the PAR and demonstrate its influence on the agendas in the other sectors as well.

Conclusions in relation to PAR Strategy implementation and monitoring:

- Most countries have experienced delays in producing timely reports on PAR Strategy implementation. Some countries have not produced implementation reports for a long time.
- The quality of the reports is poor – they focus on administrative achievements rather than significant results or impacts – and they are not used to make decisions and improve policies. Analytical information is mostly missing.

VI Recommendations

This section provides overall recommendations based on the comparative analysis in this Study. Country specific recommendations can be found in National Inputs, which make an integral package of information to this Study.

6.1. Overall recommendations

- All countries should strengthen the capacity of PAR-lead institutions to enable them to coordinate preparation, implementation and monitoring of PAR strategy. In particular it is recommended to improve analytical and coordination skills and qualifications. In addition, analytical capacities of implementing institutions should also be strengthened to enable them to analyse PAR implementation progress (achievements, problems, challenges, etc.) and formulate recommendations. This recommendation calls for a broader initiative to elaborate a national training programme for civil servants that would identify and encompass strategic competencies of the civil servants.
- Engagement of wider public in PAR preparation and monitoring of implementation should be given more attention. This can be achieved by:
  - reviewing existing methodologies on strategic planning (where they exist) and providing recommendations on public consultations
  - reviewing existing PAR implementation structures (political and expert) to include external experts, academia and representatives of wider public in the composition
  - including representatives of wider public, academia and external experts in the bodies in charge of preparation of PAR Strategies in the countries where PAR Strategies are about to expire (e.g. Albania, Bosnia and Herzegovina, Croatia, Kosovo).
- It is recommended to conduct a structured analysis of the PAR environment before the elaboration of a new one. Achievements of PAR agenda implementation, progress in socio-economic domain, quality of public services, new trends in PAR agenda across the world should be analysed and compared for better prioritisation and PAR agenda setting.
- It is recommended to establish good practice databank in the area of PAR to share good practices in PAR preparation and contents. Consideration should be given to utilise existing international PAR networks. ReSPA could coordinate such activities providing necessary links and access to different sources of information.
- Bearing in mind the international trends in PAR, it is recommended

to gradually shift the PAR Strategy contents giving more attention to initiatives aimed at:

- Community empowerment (co-design, co-delivery, citizen charters, service standards, etc.)
- Improvement of efficiency (red tape reduction, public spending reviews, programme evaluation, support services benchmarking, etc.)
- Leadership development (talent hunting, leadership training, etc.)
- Modernisation of administrative and public services (business process reengineering, competence centres, shared service centres, etc.).

Such a shift will allow for improved efficiency in light of the consequences of the global financial crisis. This recommendation is especially important for the countries that are currently preparing a new PAR Strategy or will soon be embarking on its preparation (e.g. Albania, Bosnia and Herzegovina, Croatia, Kosovo).

- All countries preparing PAR Strategy (e.g. Albania, Croatia, Kosovo) have to prepare a list of key performance indicators and targets that would be used to measure and assess success of PAR Strategy implementation.
- It is necessary to improve monitoring and reporting practices in all countries. In particular consideration should be given to how to improve the quality and friendliness of monitoring reports. Monitoring reports should be short, concise and of an analytical nature. Good regional practices should be sought and shared among Western Balkan countries.
- Monitoring and reporting on PAR Strategy implementation should not increase the administrative burden – it should be pragmatic and reasonable to allow for the monitoring of progress on implementation of organisational, systematic, procedural and behavioural changes. Therefore, reporting should not be weekly or monthly as progress is barely visible within such a short time-frame.
- The Public Administration Reform Fund from BiH experience has proven to be one of the most important developments in the BiH PAR context. Such financial arrangements could be applicable in other countries as a source to fund reform activities and programmes and as a useful tool for donor coordination and the attraction of external financial sources. As a fully developed model, with all the procedures and existing practice, it represents an example of good practice which could be utilised and adapted to specific countries.

National Contributions

Albania Case

Prepared by:
Jolanda TREBICKA

Background of the PAR Strategy development

The efforts to create the civil service in Albania started in 1994 with establishment of the Department of Public Administration (DoPA)[1] and were materialised with the adoption of Law No. 8095, dated 21 March 1996 "On the civil service in the Republic of Albania". The scope of the law was to put an end to the politicisation of the Albanian public administration, introducing a merit-based civil service and a dividing line between the political and technical-professional functions. Over this period of time, the DoPA was tasked with developing an overall policy for recruitment, training and promotion in public administration. DoPA was founded as the centre responsible for coordinating and implementing the technical assistance to the public administration.

In January 1999 an Inter-ministerial Board for Institutional and Public Administration Reform (PAR) was established, chaired by the Prime Minister, comprising of Ministers of Finance, Justice, Local Government and Decentralisation and the Director of the DoPA. The role of the PAR Board was to define the priorities on institutional and PAR; support coordination and encourage inter-institutional co-operation; supervise the development of the reform process in terms of the implementation of standards and procedures; publish the results; and co-operate with donors to support the reform"s implementation[2]. The DoPA was the secretariat of this Board.

In November 1999, a new law on the status of the civil servant was enacted by the Parliament[3]. This established the legal ground for building a new system for the management of human resources. The civil service law (CSL) encompassed central administration institutions, independent agencies and local government units (municipalities and regions). The CSL provided a legal basis for the establishment of the Civil Service Commission as an independent administrative body.

In 1999 the government approved a Strategy of State Institutional and Administrative Reform[4]. The strategy did not establish any time-frame for its implementation, but served as a policy document of the Government of Albania (GoA) for articulating and communicating the vision, priorities and objectives of the overall reform in public administration. The strategy focused on the following elements: (i) establishment of the rule of law and democracy; (ii) encouragement

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1 In September 1994, the Council of Ministers adopted Decision No. 443 for establishment of the Department of Public Administration.
2 DoPA Magazine "15 Years in the Center of reforms".
3 Law No. 8549, dated 11 November 1999, "On the status of the civil servant".
4 SIGMA, "Public Management Profiles Of Western Balkan Countries: Albania", (2003).

of political dialogue focused on policy objectives within the country; and (iii) country stabilisation – politically, economically and socially.

The main elements of the reform process were as follows:

- improvement of the work of the government organisation
- strengthening of legal drafting capacities
- management of public finances
- development of audit and control
- civil service reform and human resource management
- judicial system reform.

In the framework of the National Strategy for Development and Integration (NSDI) 2007-2013, two important initiatives were undertaken by DoPA in 2007: (i) the review of the implementation of the CSL, with a special focus on reviewing proceedings for admission into the civil service, and (ii) the drafting of the Intersectoral Strategy for Public Administration Reform (SNRAP [5]).

The new SNRAP 2009-2013 was concentrated on the reform of the civil service and in particular on the revision and adoption of a new civil service law. Even though a new reform programme had formally been passed, the contents were not new.

They were simply a continuation of the reform which started in 1999. In addition, they reflected the failed attempts to revise the CSL in 2005 and 2008[6]. The 2009 reform programme makes a new attempt to revise the civil service system[7].

In 2012, DoPA started the process for preparation of the new strategy, named the Cross-cutting Strategy of Public Administration Reform (CSPAR), 2013-2020. The process was supported initially by OSFA/SOROS Albania through its project "Technical Assistance to support development of the Cross-cutting Strategy of Public Administration Reform (CSPAR), 2013-2020[8]. A rough draft of the strategy was prepared but the process stopped, due to the changes in government and shift of political leadership after the 23 June, 2013 parliamentary elections.

The work for finalisation of the CSPAR 2013-2020 started again after the new government took office in September 2013. The Strategy is predicted to be approved by the end of 2014 and would cover the period 2014-2020.

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5 Abbreviation of the Albanian name of the strategy: Strategjia per Reformen ne Administraten Publike.
6 OECD/SIGMA " Assessment Albania", (March 2012).
7 DoPA Magazine "15 Years in the Center of reforms".
8 DoPA Progress Report 2012.

I PAR Strategy environment

The key national decision-making system for determining strategic direction and the allocation of recourses in Albania is the Integrated Planning System (IPS). The IPS constitutes a broad planning and monitoring framework designed to ensure that core policy and financial processes of the government function in a coherent, efficient and integrated manner. Within the IPS there are four core processes that cover all governmental organisations and activities:

- **National Strategy for Development and Integration (NSDI),** which establishes the government's medium-to-longer-term goals and core policies for all sectors based on a national vision;
- **Mid-Term Budget Programme (MTBP),** which is a 3-year budget plan of the GoA to deliver programmes outputs for achieving its policy objectives and goals within the government's fiscal plan;
- **European Integration** commitments are set out in the Stabilization and Association Agreement (SAA) between the GoA and the EU. To meet these commitments the government develops a 3-5 years National Plan for the Implementation
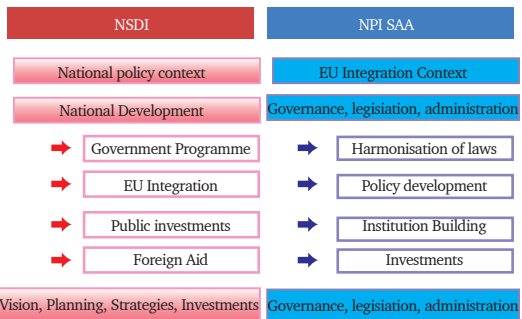
of the SAA (NPISAA), (the current plan covers 2012-2015 period), which envisages the implementation of legal, policy and institutional measures on a short-to-medium- term basis.

The NSDI vision and strategic objectives related to PAR is based on the SAA article 111 that emphasises *development of an efficient and accountable public administration, notably to support rule of law implementation and the proper functioning of the state institutions.* In addition, the European Partnership highlights the need to enforce and guarantee the implementation of civil service status legislation and to formalise a functioning career structure. The NSDI and NPISAA are closely linked to each other, presenting two integrated policy contexts, as presented in the graph above.

The Public Administration Reform (PAR) in Albania is part of the NSDI. In the framework of NSDI 2007-2013, strategies were developed in the form of the Cross Cutting Strategy on PAR 2009-2013 and its action plan.

Box 1 presents the vision and the main objectives articulated in the NSDI 2007-2013 with regards to PAR.

Box 1: The National Development Strategy for Integration 2007-2013

Vision
The vision is to establish an administration that is professional, based on merit, impartial and able to address the comprehensive challenges of integration and of improved service provision to the public.

Strategic priorities and policies

Establishment and strengthening of effective structures for all public institutions:*…organise, re-assess functions…prevent functional overlap and improve the services offered to the public.*

Deepening of civil service reform and the extension of the coverage of the relevant legislation: *changes to the civil service legislation to allow increased objectivity in the recruitment procedures and the selection of the most able candidates from a professional point of view; the same set of rights and duties as for civil servants will be offered to all public sector workers.*

Improvement of the performance management system: *…establish an objective system of defining institutional objectives, linked with individual employee objectives, institutional performance evaluation; link between individual performance, the remuneration system and career development.*

Establishment and implementation of remuneration schemes for civil servants: *differentiate public sector workers...pay structure will change, envisaging additional compensation for employees who have completed postgraduate studies (master, doctorate).*

Provision of training as a strategic means for the development of the capacities of civil servants: *…building capacities of civil servants through training on the job obligations.*

Establishment of a modern human resource management system: *a central database for public sector workers introduced, as an information base for projections related to staffing and different pay reform scenarios; to be linked to the treasury system.*

A sectoral approach is in its initial phase of development, although Albania is well positioned to for its implementation[9]. The strategic framework is in place and the NSDI 2014-2020 and related sectoral strategies are being developed. The strategies are complemented by a Medium-Term Budget Plan (MTBP) which outlines the financial framework for the implementation of the sectoral strategies. A monitoring and performance assessment has been established since 2010 and efforts are made to strengthening monitoring capacities. In order to ensure coordination and

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9 A functioning sectoral approach requires the existence of government policies and strategies, medium-term budget frameworks, coordination and monitoring of results and performance assessments.

cooperation among line ministries within specific sectors, a number of inter-ministerial working groups (IMWG) have been established. Donor coordination occurs through sector working groups coordinated directly by the Department for Development Programming, Financing and Foreign Aid (DDPFFA[10]), positioned at the Deputy Prime Minister's office. A high-level donor-to-government dialogue takes place once per year in the form of a "round table' to focus on aid harmonisation, followed by regular operational meetings.[11] One of the current difficulties faced when applying the sectoral approach is the coordination and budgeting of sectoral programmes.

With a view to improving overall coordination mechanisms, the GoA is currently acting to comprehensively restructure the SWGs so that the Albanian administration can be fully responsible for these groups which will be used to manage the entire cycle of sectoral strategy development and implementation.

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10 Former Department for Strategic Donors Coordination
11 EU Twinning Project fiche for PAR Reform Support.

II Methodology for PAR Strategy development

NSDI document, sectoral and crosscutting strategies are drafted based on the guidelines and methodology developed by the DDPFFA with the assistance of the World Bank[12]. The methodology provides a blueprint for all ministries. It includes instructions on the document's structure and of how a given strategy will be compiled. Box 2 below presents the standard structure applied to all sectoral and cross-sectoral strategies. It has been updated to include the strategies which are currently being drafted covering the period 2014-2020.

Box 2: Structure for Cross-sector strategies
Chapter 1: Overview of the sector - Current situation (*Describe the sector and its current state*) - Key issues (*Bullet point list of issues then a paragraph on issues as a general guide no more issues than there are programme goals in the sector* - Summary of sector policy goals (from PPS) for NSDI 2 period **Chapter 2 Vision and Goals** - Vision of the sector in 2021 (*the sector vision should describe the state of affairs that will exist in 2021 when the strategy is fully implemented)* - Programme Policy Descriptions and Sector programme policy goals (*as presented in the Expenditure programmes for sectoral strategy implementation*) **Chapter 3 Sector Development and Integration** - Cross-sector strategies Sector and EI negotiation chapters - Programme Policy Statements - Table of key programme policy objectives relating to EI **Chapter 5 Sector resource requirements** - Resources in 2013-15 MTBP - Resource requirements for 2016-2020 (By programme objective, By sub-ceiling items). Identify elements of legislation, institution building and investment in the *acquis communautaire* - Non-budget resources **Chapter 6 : Monitoring, Reporting and Evaluation** - Action – plan for implementation of the strategy (*including the timetable and allocation of responsibilities for each action*) - Performance Assessment Framework (*including the monitoring indicators, baselines and target indicators*)

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12 Approved by an Order of the Prime Minister No. 134, (12 June 2006), "For the preparation of the National Strategy for Development and Integration, sectoral and cross-cutting strategies".

III Responsibility for development of PAR strategy and key players

Development of the strategies in Albania is done as collective effort, led by the respective sector ministry/agency. An interministerial working group (WG) was established by Order of Prime Minister[13] for the preparation, drafting and implementation of the SNRAP 2009-2013. The WG was chaired by the Deputy Prime Minister and composed of Deputy Ministers of Finance, Justice, Labour, Social Affairs and Equal Opportunities; Education and Science; Health; European Integration; Director of DoPA; and a coordinator from the Department of Strategy and Coordination of Foreign Aid (DSDCFA).

In addition to the IMWG on PAR, mentioned above, a technical working group (TWG) was established by the Minister of Public Order[14]. Its task was to assist the IMWG with its technical expertise on different aspects of the PAR. The TWG was composed of 15 members, directors of HRM units of the same ministries as represented in the IMWG, the director of Training Institute of Public Administration and a coordinator of the DSDCFA.

Development of the SNRAP 2009-2013 was led by the Department of Public Administration and through support from SIGMA and the institute of Contemporary studies (ICS). The draft of the strategy has been also shared with a group of CSOs who were invited to provide their views and comments on the draft.

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13 No. 134, (16 August 2007), "For establishment of the interministerial Working Group (IMWG) responsible for preparation, drafting and implementing of the SNRAP 2009-2013 in the framework of the National Strategy for Development and Integration 2007-2013".

14 From September 2005 until September 2013, the DoPA was under the Minister of Public Order, as a structure of this Ministry. Since September 2013, the Department has been part of the Prime Minister Office, under the responsibility of the Minister of State for PAR and Innovation.

IV Content of the PAR Strategy

The SNRAP, like the legislation on civil service (Status of Civil Servants, Law on Civil Service, etc.) is done through the introduction of EU standards on the quality of civil service and the convergence towards the principles of the European Administrative Space such as legality, integrity, openness, professionalism, honesty, impartiality and loyalty[15].

The SNRAP 2009-2013 sets out the vision of the GoA in relation to PAR which is of:
- "A *sustainable and professional administration which is renewed through fair competition and which create carrier development opportunity*
- *An administration capable of better organized such that it can withstand the tasks in a system with small but effective state based on decentralization and deconcentration*
- *An administration that is based on the decision-making processes, transparent, inclusive and accountable to the public (sic)*

The three elements of the vision are supported by three corresponding priorities of the strategy:

I. Modifications and improvements in the system of the civil service in general management and human resources
II. Modifications in the functional and organisational system of the structures of public administration
III. Modifications and improvements of the decision-making procedures and tools defining quality and performance of public services in administration.

Despite the fact that the SNRAP 2009-2013 vision and priorities are broad, and by definition include the "*entire public administration*", **the strategy and measures foreseen are narrowly focused on the implementation of the civil service reform**, thereby only including the civil service related part of the Albanian public administration, **at both central and local level**. Other sectors of public administration dealing directly with public services such as health, education, police, and customs are regulated by other specific laws and are not the focus of the SNRAP. Nonetheless, the strategy considers that improvements of the human

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15 MATEI & Lasar, "Quality Management and the Reform of Public Administration in Several States in South-Eastern Europe. Comparative Analysis", National School of Political Studies and Public Administration, Bucharest.

resource management processes will be *cross-horizontal* to these sectors, but the plan of action does not indicate any specific action related to these sectors. This reinforces the conclusion that the SNRAP is mainly focused on the implementation of the civil service reform and does not cover other areas of public administration.

One of the SNRAP' priorities is to develop the public services through improving the decision-making and tools for service provision (priority 3.4). This includes measures for improving administrative procedures for offering the services (permits, licences, etc.), administrative procedures related to the complaints & appeals system, as well as online information. The strategy indicates that revision of the legal framework and administrative procedures will be done with participation of interest groups, but it does not envisage specific actions on such involvement (i.e. consultation with interest groups, or participation of the representatives of the interests groups in the working groups established by the government for administrative and legal review).[16]

The SNRAP indicates the role of the Civil Service Commission as an important body of the civil service *check and balance* system. The role of the CSC, however, is considered in the framework of the establishment of the administrative court.

The concept of quality is integrated in the SNRAP 2009-2013, deriving from its objectives namely[17]:
- Establishment and consolidation of efficient structures for all public institutions
- Reform of public service
- Improvement of performance management system
- Establishment and application of remuneration systems for civil servants
- Depolitication of the civil service and its founding on the basis of meritocratic principles
- Supply of training as strategic means for the development and consolidation of the capacities of civil servants
- Creation of a modern system for human resources management: a central electronic database for public sector workers.

The main objectives of quality management as stipulated in the SNRAP are to increase thee efficiency, efficacy, transparency and responsibility of public administration.

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16 OECD/SIGMA " Assessment Albania", (March 2012).
17 UNDP " National Human Development Report", (2010), EU Twinning Project fiche for PAR Reform Support.

The SNRAP is focused mainly in three pillars: (i) Human Resource Management; (ii) rationalisation and institutional capacities and (iii) implementation of one-stop-shop services. Other elements such as public finances, e-government, anti-corruption/ethics and integrity are not discussed in depth by the SNRAP 2009 -2013. The Strategy does not include any objective regarding PIFC or the role of State Audit Institutions such as Internal Control and Auditing System or the Supreme Audit Institute which is in charge of external auditing of public administration.

The current SNRAP covers a 4-year time period, while the new strategy will cover a 7-year time period from 2014-2020.

V Implementation arrangements

The main institutions in charge of the implementation of PAR reform in Albania are the Department of Public Administration, the Civil Service Commission and the Albanian School of Public Administration. Implementation of the SNRAP strategy is led by the DoPA.

The DoPA has the task of developing and overseeing the implementation of the civil service policies, the preparation of civil service regulations and issuing general instructions related to: recruitment; performance appraisal; job description and job evaluation; disciplinary measures; and salary structure. It manages a Central Register of Personnel and supervises the implementation of civil service regulations by the ministries and central agencies. The DoPA reports annually on the general situation of the civil service to the government.

The **Civil Service Commission** is the other institution charged under the 1999 Law on Civil Service with the supervisory responsibility over the management of the civil service at all the institutions enumerated in the Law. It supervises the legality of management decisions concerning the civil service and hears civil servant appeals on all issues relating to their status, such as recruitment, probationary period, performance appraisal, disciplinary measures, etc. The Civil Service Commission (named by the new CSL the "Civil Service Commissioner") is an independent body which reports annually to Parliament..The CSC is undergoing a transformation into an Administrative Court that will deal with court cases concerning civil servants' complaints.

The **Training Institute for Public Administration**, transformed in 2013 in the Albanian School of Public Administration (ASPA), manages and organises the training of civil servants. ASPA provides vocational training through either an in-depth training program which can be taken full-time (which involves severance from work), or through a continuous vocational training program. These programs are elaborated as follows: a) thorough in-depth vocational training program, which trains the candidates for being members of Top Management Civil Servants, TMC and is full-time (severance from work); and b) continuous vocational training program in issues related to the work of civil servants of all categories, as well as any other individuals outwith the civil service. TIPA will be part of the school and will continue to develop the same activities to support the continuous vocational training program. It will also enhance the training program for newly-recruited

target groups in civil service. ASPA is under the direct supervision of the DoPA, which approves its annual and multi-annual working programmes and its annual reports on the training delivered[18].

The implementation of the SNRAP which is part of the National Strategy for Development and Integration, the Mid-term (multi-annual) Budget Programmes (MTBP) and the annual budgets is monitored on a result-based performance assessment system, as part of the Albanian Government's Integrated Planning System. The Performance Assessment Matrix (PAM) was implemented in July 2010 (by Prime Minister's Order). Its purpose was to create a results-based monitoring mechanism to support the implementation of sector strategies (and, by logical extension, the NSDI)[19]. One level indicator on PAR is included in the NSDI. This is the "Number of complaints in relation with the CSL, according to type of complaints".

The DoPA has developed its own system of indicators to measure the progress of the civil service reform. Indicators are generally presented in the annual reports elaborated by DoPA for the government, as a tool to measure and report the implementation of the civil service reform.

A set of indicators were included in the SNRAP 2009-2013, covering the human resources management practice and salaries system. The indicators set out in the strategy are measurable, but the monitoring system is not properly enough designed to compare the progress in the years covering the strategy against the past. The indicators are expressed on their typology, but lack baselines and targets. The lack of targets is explained by the lack of progress in civil service reform in the last years. This was due to the implementation practice in the country characterised by politicisation of public administration, partisanship and the impossibility to pass the new civil service law in Parliament for a long period[20]. Some of the indicators are output indicators.

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18 EU Twinning Project fiche for PAR Reform Support.
19 A PAM contains SMART indicators of performance at programme policy objective level for the ministries' programmes which contribute to the implementation of a given sector strategy. The purposes of the PAM are: (i) To improve the actual monitoring system – by developing a realistic report which identifies the weaknesses and problems, highlighting where and when there are problems in the sector strategy implementations; and proposing actions to address these problems; (ii) To help sector ministries in their programme policy analysis (review) – ministries will improve the implementation of their sector strategies, after reviewing programme policies and feeding findings from monitoring into the following policy cycle thereby reinforcing implementation of NSDI; (iii) To support national planning and performance budgeting in the IPS by making better use of strategic information available through Programme Policy Statements included in the sector ministries' MTBP submissions; (iv) To promote accountability and enhance transparency enabling the SPC to analyse the extent to which ministries have reached their declared policy objectives and to make informed decisions on corrective measures.
20 EC Albania, 2013 Progress Report.

In terms of the utility of the indicators for measuring progress in the reform of the civil service and HRM, there is a need to linkthe indicators more with good governance and the development outcomes to which they are intended to contribute.

The progress on implementation of the PAR reform prepared by DoPA includes mainly the implementation of the civil service reform but not overall PAR progress including, for example, areas of integrity, the fight again corruption, etc. This is due to the current policy and strategic framework established in Albania. Under the NSDI strategic framework, specific strategies are developed in the area of PAR such as the Strategy on Public Finance Management, Strategy of Fight Against Corruption and the Strategy for Justice Sector. These strategies have their own performance assessment monitoring system, which is maintained by their respective lead institutions.

The reporting of progress made in the civil service reform is carried out from two sources: the DoPA prepares the report for the government, and the CSC presents the report in Parliament. Both reports are issued on an annual basis.

The quality of reporting has to be improved. The reports are not prepared based on the attainment of policy objectives of the government set out in the strategy, but on thematic bases i.e. recruitment, disciplinary measures, etc. The reports do not provide substantial, meaningful analyses on the contribution that civil service reform is making to the development of the country though improving its governance system.

Within the framework of the implementation of the SAA process, the PAR is also monitored under the reporting system of implementation of the NPISAA, but the system has not yet been transparent. There is a clear definition of which institution should report and what to report. The reporting requirement is made only through an official letter of the Ministry of European Integration, which is sent to the selected institutions within the central system. Outwith reporting remain independent institutions. In case of the reporting on PAR, the structure providing inputs to MEI is the DoPA (government). No specific reports are produced by the Civil Service Commission or the High Inspectorate of Declaration and Audit of Assets (Parliament) v [21].

There has been no real evaluation of the PAR strategy. Under the review process of the NSDI 2007-2013, two reports have been prepared by the government which include assessment on the implementation of the civil service reform. However, since the reports are prepared by DoPA the assessment made is not thorough and it lacks a critical view on the progress and shortcomings. There

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21 OSFA Report on Monitoring the implementation of the SAA in Albania, (2011).

has been no any evaluation of the SNRAP by external sources so far.

In addition to PAR reporting, according to Law no. 8549, dated 11.11.1999, "Civil Status", the Council of Ministers reports to the Parliament the progress on: (i) management of civil service in central administration institutions (line ministries and the Prime Minister Office) and the leadership of reform in this area; (ii) functional - structural reform of public administration institutions; (iii) pay and salaries reform; (iv) increasing the capacity of human resources; and (v) designing and operating the Central Registry of Workers in public administration. This report is issued annually at the same time as the CSC reports to the Parliament on the implementation of the civil service reform for the previous year. Usually the report is finalised in the end of April each year.

The CSOs have not been involved in implementation and monitoring of PAR strategy. The civil society monitoring of PAR reform takes place in the framework of the report prepared by some CSOs with the support of OFSA/ Sorros Foundation, but this is part of the overall annual monitoring on the implementation of the GoA's commitments to implement the SAA.

VI Future plans

In the framework of the new NSDI 2013-2020, the Ministry of Interior/ DOPA initiated the drafting process for the new Cross-cutting Strategy of Public Administration Reform (CSPAR), 2013-2020, in September 2012. For this purpose, the Prime Minister's Order no. 112, dated 14.09.2012 "On the establishment of Inter-ministerial Working Group for public administration reform, IMWG", has been approved. Like in 2007, this group is comprised of deputy ministers of line ministries and is chaired by the Minister of Interior, who was responsible for the PAR. Under the provisions of this order, a Technical Working Group (composed of experts from line ministries) and an Advisory Group (composed of representatives from civil society, academics, etc.) have been established. As noted in this new drafting process, a new structure - the Advisory board - is involved on drafting the strategy. These groups will assist the Inter-institutional Working Group in this process and are responsible for drafting the new strategy.

The first draft of the strategy was presented in January 2013 to the IMWG. The draft strategy had a narrow scope and was limited to civil service development, salaries reform, training and functional organisation. It should be noted that the new law on civil service was approved by the parliament in May 2013, providing the possibility for the government to be more concrete in setting objectives and planning activities for the next period[22].

After the changes in government leadership in September 2013, the process of development of the PAR Strategy restarted in April 2014 with the support received from OECD/SIGMA. The broad scope incorporates the four following areas:
- Policy Making - Policy Development and Quality of Legislation
- Public Administration Organisation
- Civil Service and Management of Human Resources in Public Administration
- Administrative Procedures and Oversight - Inspections and Controls: Administrative Decisions

Other
- Public Service Modernisation, Innovative Governance, and Transparency are presented as horizontal cross-cutting elements.

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22 EC Albania, 2013 Progress Report.

The composition of the new TWG[23] has also changed with different technical and political staff representing different policy development units in line ministries, which have direct links with the sectors covered by the new draft of SNRAP[24].

A well-developed set of indicators has been prepared with assistance of SIGMA. The relevant units/ministries have been asked to define baselines, milestones and targets for each of the indicators associated the goals and key objectives of PAR. The challenge would be to define realistic milestones and targets for measuring the success of the PAR reform and results produced until 2020.

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23 The new TWC was established based on the new PM Order 180, (9 June 2014), " On Establishment of the Inter institutional Group for the SNRAP 2014-2020".
24 The new TWG includes staff from DoPA, the Ministry of Finance, Budget Department (MoF), the Minister State on Local Government Issues, Codification Department (Min of Justice) and Policy Development Unit, (Ministry of European Integration), etc.

VII. Conclusions and recommendations

No.	Recommendation	Timeframe	Responsible institution
A. Development of the PAR strategy			
1.	A real deliberation process should take place of the draft strategy within the Interministerial Working Group for PAR	September - December 2014	IMWG PAR, DoPA
2.	A real consultation process should take place with the civil society organisatons and other stakeholders, respective to the selected sectors covered by the strategy	December 2014	DoPA
B.	**Content of the Strategy**		
1.	Present clear links to other strategies, task plans should also be mentioned	2014	DoPA, DDPFFA
2	Clear and realistic milestones (2017) and targets (2020) defined	2014	DoPA, DDPFFA, LMs
C.	**Implementation of the Strategy of PAR**		
1.	Strengthen the role of the inter-ministerial coordination structure in PAR implementation and monitoring	2015	DoPA, DDPFFA, IMCPAR
2.	Improve DoPA's reporting methodology focusing "*on reporting versus commitments*". The DoPA reporting should present the progress made against the objectives set out in the strategy	2015	DoPA
3.	Strenghten DoPA's capacities to prepare more objective and critical reporting reflecting all concerning issues and individual ministry performance in implementation of the strategy	2015-2017	DoPA
4.	Strengthen the role of the Parliament and the checks and balances system	2015-2020	Parliament
5.	Increase civil society involvement in monitoring the implementation of PAR strategy and in particular implementation of the Civil Service	2015-2020	CSOs, Donors

As explained above the new PAR strategy is going to broaden its scope by including other elements, in addition to the civil service reform. In order to ensure the quality of its content, interlinks with other sub-sector strategies must be established. The costing of the strategy will help measure the fiscal impact the suggested polices may have in the overall governmental medium-budget programme. However, it is also possible to negotiate with the development partners in order to provide additional resources and support for its implementation.

Bearing in mind the timeframe of the implementation of the strategy, the indicators are divided into two groups: (i) short term indicators – until 2017; and (ii) mid-long term indicators – until 2020. The current Performance Assessment Matrix must be adjusted to reflect the new strategic objectives of the SNRAP 2014 – 2020 and link it with the overall NSDI 2014-2020 performance assessment system.

One of the key challenges of the policy development and **implementation process**, including the PAR reform, is strengthening the role of the inter-ministerial coordination structure in policy development and monitoring. The process of development of the NSDI 2014-2020, indicates a weak role of the coordination structure, including the PAR IMWG. The GoA along with the support of the EU is going to assist the government in strengthening policy coordination and monitoring mechanisms through the Project Preparatory Facility Project. This is expected to strengthen the internal and external coordination capacity of the government; and therefore, the role of the IMWG on PAR is expected to be strengthened.

The new law on the civil service entered into force on April 2014. The facilitation of the implementation of the new law remains crucial for the success of the PAR reform. Some procedures foreseen in the new law are significantly different compared to the old system. The recruitment process, the job classification and the management of different civil servants' categories are appropriate examples. Different challenges will be encountered, in particular during 2014 and 2015 with regards to:

- completing the legal framework with the secondary regulations affecting the implementation of the CSL at the local level, considering the recent process of territorial and administrative reforms, which impacts the PAR reform at local level
- effectively managing the increased number of institutions included within the scope of the civil service (the size of the civil service will be more than tripled).effectively start implementing the new procedures foreseen in the law, with particular emphases in the recruitment procedure.
- From 2015 the government will face other challenges related to the consolidation of the system and the need to create a professional and merit-based civil service[25].

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25 EC Report from the Commission to the Council and the European Parliament " On Albania's Progress in the Fight Against Corruption and Organised Crime and in the Judicial Reform", (4 June 2014).

The DoPA is entrusted with developing civil service policies and, as such, should play a key role in the implementation of PAR. DoPA's regulatory and **monitoring** capacities have been *de facto* continuously weakened in the last few years due to frequent staff changes[26].

The civil service management system, based in DoPA, needs to have **greater powers and capacities** if it is to be respected by politicians and by the institutions employing civil servants. The human resource capacities in DoPA have recently been substantially increased, but **the legal, managerial and infrastructural capacities of DoPA need to be strengthened so that it is able to exercise oversight and to steer the development of more professionalism among cvil servants.** A stronger role for Parliament in the system of checks and balances is urgently needed.

The Strategy monitoring system must be developed based on a set of well-defined indicators that focus on each distinct area that will be covered by the strategy. Bearing in mind the timeframe of the implementation of the strategy, the proposed indicators can be divided in two groups: (i) short term indicators – until 2017; and (ii) mid-long term indicators – until 2020.

All indicators of the strategy must also be linked to the respective programmes' policy goals of the MTBP process. A detailed Performance Assessment Matrix approach must be developed, that will maintain the link between the strategy processes and become the basis for the monitoring of the PAR reform as part of the NSDI 2014-2020 implementation performance.

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26 EU Twinning Project fiche for PAR Reform Support.

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Bosnia and Herzegovina Case

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Background of the Public Administration Reform Strategy development

After the signing of the Dayton Peace Agreement in 1995, the new Constitution of Bosnia and Herzegovina came into force. According to it and its amendments, the state of Bosnia and Herzegovina is consisted of two Entities (Republic of Srpska and Federation of BiH), and the specific self-governance unit – District of Brčko[1]. The institutional set-up in the sense of judicial, legislative and executive authority is further defined by the Constitutions of the State and the Entities and the Statute of District. The four separated administrative levels identified are the State, Entities of Republic of Srpska and Federation of BiH and the District of Brčko levels; with the Council of Ministers of BiH, Governments of Republic of Srpska and Federation of BiH, and the Government of Brčko District operating as executive authorities. This division is reinforces the existence of the four independent central administrative levels, with their own public administrations and the civil service (CS) systems.

Public administration reform (PAR) in Bosnia and Herzegovina (BiH) is one of the country's key priorities, not only in the context of EU integration process, but also for the further general economic and social development of the country. The importance of the PAR process from the perspective of European Union is demonstrated by the fact that PAR has been introduced as one of the preconditions for which candidate countries aspiring for future EU membership must satisfy[2]. Bearing in mind that the EU operates primarily through its member states' administrations[3], candidate countries must be able to adopt the 35 Chapters of the *acquis communautaire*, and subsequently develop necessary capacities to fully implement them.

The complexity of the administrative system in the BH context – arising from multi-level surrounding, specific administrative and constitutional arrangements and specificities in the governmental structures at different administrative levels – has resulted in a specific and complex approach to

1 Constitution of Bosnia and Herzegovina (Annex 4 of the Framwork Peace Agreement in BiH).
2 In accordance with accession criteria, set by the European Council in 1993. in Copenhagen, and reinforced in Madrid in 1995., sufficient administrative capacities are considered as key requirement for EU membership.
3 PARCO (2007) "PAR Strategy in Bosnia and Herzegovina", available at: parco.gov. ba//?id=68.

the issue of modernisation and PAR. This approach began with individual initiatives in specific administrative levels, and then evolved into an integrated approach, including all levels.

The first step towards comprehensive reform was related to the reform of the CS in BH administrative structures, effectively beginning in 2002.. As the first structured initiative towards CS reform, and as a part of wider PAR at the Entity level, the Government of Republic of Srpska (RS) signed the Memorandum of Understanding with UK Ministry for International Development (DFID) in 2000. This represented the foundation of the technical support for CS reform, which took place during two phases: 2000-2003, and 2003-2006. This initiative was the first time PAR became a structured policy, but it was limited in its scope to the level of Entity, and in its content by focusing only on the CS.

This CS reform was continued by the adoption of the regulative frameworks given in the Laws on Civil Service. In 2002, a Civil Service Law was adopted at the RS level. The State Law was initiated and imposed at the State level (BH institutions) by the Office of the High Representative in BH (OHR) which resulted in its adoption[4]. The Federation Civil Service Law was adopted in 2003. Three CS Agencies were created and charged with central management of the CS at their respective levels of government. It was anticipated that the legal frameworks put in place would help protect civil servants from political pressures, secure the tenure of civil servants, improve the competence of civil servants through a review process, attract young and competent professionals into the CS and recruit more suitable candidates to the main posts in the CS. The overall aim of the CS reform was to create a professional, merit-based CS at the State and Entity levels. The first phase of the reform envisaged the development of a legal framework for the CS, a personnel management system and robust training program for all civil servants.

Although no policy document was produced that defined the overall aims of this reform, the initial intention of the drafters was to create a so called position-based CS system, with some limited characteristics of a career-based system. By opening vacant CS positions to candidates outwith the CS, the intention was to create a wider pool of candidates with specialist skills for advertised positions, promoting competition and a higher quality of applicant. The rationale was that the BH administration could not afford to wait for a new generation of civil servants to emerge through a career-based system. The CS Agencies are entrusted with significant authority to

4 The Office of the High Representative in BiH (OHR) by its mandate, defined in the Article II of Annex 10 of the Dayton Peace Agreement, has the exclusive decision competences, with ability to intervene and impose different decisions, including changes and adoption of regulations. More information is available at: www.ohr.int .

evaluate and comment on the systematisation of CS positions, in both new and existing posts[5].

Following completion of the review process (evaluation and revision of the systematisations and CS positions), the Agencies were expected to assist in the design of training programs for civil servants. However, the same problems that affected this review process have undermined the effectiveness of the training programs provided. No strategic assessment of training needs aimed at identifying gaps and problems in competencies and skills has been conducted. Training programs were neither strategically focused or fully demand driven and civil servants had little incentive to participate in them, particularly at senior levels. Much of the external assistance through bilateral and multilateral donor programs and training programs overlapped and were designed on the basis of universal best practice rather than on solutions tailored for the specific needs of the BH situation. The entire state administration has been overshadowed by the international community which has managed, coordinated and even in part implemented the majority of reform programs. During this period, CS reform and wider PAR efforts were characterised by piecemeal initiatives and paper reforms that generally failed to grasp and deal with the real, acute problems of the public administration in BH[6].

Drawing from previous experience with the CS reform initiatives, and the recommendations from the international community, the need for an integrated approach at all levels was highlighted. The formal structured process of *Public Administration Reform* in BH was launched in March 2003 with the publication of the so-called *"Public Administration Reform – Our Agenda" (*PAR *Co*mmitments)[7], which envisaged an integrated approach to the topic.

The PAR Commitments document contains the following pledges:

- Pledge 1: **The organisation** - make public administration cost-effective and well organised
- Pledge 2: **The funding** - ensure that the tax payers' money is spent economically and transparently
- Pledge 3: **The staff** - ensure that the CS is professional and representative of the citizens it serves
- Pledge 4: **The procedure** - make public administration work in accordance with EU best practice
- Pledge 5: **The public service**s - ensure quality-driven and citizen-

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5 Interview with CSA BH representatives.
6 Foreign Policy Initiative BH, (2007), "Governance Structures in BiH".
7 Council of Ministers, (2003), "PAR – Our Agenda".

friendly public services.

This document was formally presented by the then Chair of the Council of Ministers to the March 2003 meeting of the Peace Implementation Council. However, the document was largely drafted in the OHR, with some input from other international organisations, and almost with no input from the BH authorities. With international pressure, the OHR translated the PAR commitments into an organisational framework headed by a PAR coordinator, formally accountable to the BH Minister of Justice. This included a number of mixed domestic and international working groups tasked with developing a comprehensive PAR strategy, aimed at producing an efficient, effective and transparent public administration. The launch of an ambitious state-building reform agenda, present at the time, including defence and intelligence reform and the introduction of VAT as an own source of state revenue, was considered of much more pressing importance than the PAR process.

In addition, a series of detailed reviews of the administration's present state and vertical and horizontal government functions were launched by the European Commission in 2003/2004. The PAR process established by OHR was thus put on hold pending the outcomes of the EC reviews in 2004/2005, with the intention of using them for creation of the National PAR Strategy.

The '**functional reviews**'[8] of eight vertical and six horizontal sectors or functions of government in BH were launched in 2004 by the European Commission, in formal partnership with the BH authorities at all levels.

The horizontal *System Review of Public Administration Institutions of BH* (System review) covered general capacity issues in six horizontal systems of governance common to all institutions (Human Resources; Public Finance; Legislative Drafting; Administrative Procedure; Information Technology; and Institutional Communication). In parallel, and complementary to the horizontal System Review, *functional reviews* were carried out in nine key sectors (Agriculture; Justice; Environment; Education; Health; Police; Returns; the Economy; and the Labour and Employment Sector).

The findings and recommendations of the reviews were used to create the foundations of the future PAR Strategy. This occurred in 2006 and was coordinated and mostly carried out by the newly established body at State level – the Public Administration Reform Coordinator's Office (PARCO) – and

8 PARCO, (2004), "Functional Review of the Agricultural Sector in BiH"; "Functional Review of the Education Sector in BiH"; "Functional Review of the Environment Sector in BiH"; "Functional Review of the Health Sector in BiH"; "Functional Review of the Justice Sector in BiH"; "Functional Review of the Police Sector in BiH"; "Functional Review of the Return Sector in BiH": available at: parco.gov.ba/eng/?page=125.

the EU assistance through the Technical Assistance (TA) Project financed by the CARDS programme. The structure and the content of the Strategy has followed the areas and the structure established in the reviews, primarily the System Review.

The Strategy, adopted by the all governments in 2006, envisages three stages of reform (short-term, mid-term and the long-term), with the long-term phase ending in 2014. The duration of the Strategy was not stated explicitly, but according to the three-phased approach, the first operational document – Action Plan 1 – accompanied the Strategy, with the duration period of 2006-2010. The expiry of this document was followed by the revision process, implemented by the PARCO and supported with another TA project.This resulted in the Revised Action Plan 1 (RAP1), adopted by all levels, for the period of 2011-2014 (in line with the end of the long-term phase within the Strategy).

The impending expiry of the deadlines of the RAP1 has raised questions over the continuation of the PAR in BiH. The PARCO stated this in its 2013 Progress Report, recommending governments to support the preparation of and to accept a new PAR Programme for 2014 – 2020. The third TA project has to prepare a concept for the new approach, which is currently under consultation and discussion at operational level, among the governments' representatives in charge of PAR coordination. This concept, given in the draft document "PAR 2020: future steps" is still under the process of comprehensive operational discussion, and it is expected to be presented at a political level in the upcoming period.

PAR Chronology	Key documents
2003 • Document "Public Administration Reform- Our Agenda" was adopted on OHR initiative and signed by the heads of all governments **2004** • Public Administration Reform Coordinators Office in BH was founded, its main role to coordinate PAR activities **2005** • Project of System review of the institutions of public administration in Bosnia and Herzegovina was implemented • TA Project "Support to the PARCO" was initiated **2006** • Strategy of the Public Administration Reform with the First Action Plan (2006-2010) was adopted **2007** • Public Administration Reform Fund was established • Common platform on principles and manner of implementation of the first Action Plan of the PAR Strategy was adopted • 1st Progress Report on implementation of AP1 was prepared **2008/2009** • Stabilisation and Association Agreement was signed (2008) • Regular progress reports on implementation of AP1 were prepared • The second TA project of support to the PARCO was initiated. **2010** • Analyses and evaluation on AP1 implementation in all reform areas were conducted • Revised Action Plan 1 (2011-2014) was prepared • Draft of the new M&E methodology was prepared	**PAR Strategy** This represents the strategic framework for the PAR in BiH, by providing the general objectives, missions and visions, development guidelines and expected results of PAR in BiH. It is directed towards strengthening general administration capacities and horizontal capacities in 6 reform areas: human resources, public finance, policy making, administrative procedure, institutional communication and information technologies; as well as vertical capacities in a sense of rationalisation and reorganisation of functional competencies of government institutions and creating institutional ability for the adoption of *communautaire*. **Action Plan 1 of the PAR Strategy (2006-2010)** The annex document of the Strategy represents its operationalisation through defined measures and activities for the realisation of objectives in 6 reform areas. It also defines deadlines and activity bearers (i.e. governments and governmental institutions). **Revised Action Plan 1 (2011-2014)** The second Action plan has been derived from the Strategy; it is a direct continuation of the Action plan 1. It consists of objectives, activities, deadlines and indicators of accomplishments for the time period from 2011- 2014. **Memorandum of understanding on the establishment of a PAR Fund** This is the financial support instrument for reform measures. It represents the result of PARCO's donor coordination through the introduction of project approach to PAR realisation, funds for financing the technical assistance projects, with the purpose of realisation of AP measures. **Common platform on principles and manner of implementation of the first Action Plan of the PAR Strategy** This is the strategic basis for institutional support of PAR implementation, through creating the network of coordination-implementation structure and its procedural and technical functions. It establishes the system of intergovernmental work bodies – supervisory teams for each reform area, as well as PAR functions of coordinators for other administration levels.

2011 • Revised Action Plan 1 (RAP1) was adopted • 1st Progress Report on implementation of RAP1was prepared/based on new M&E methodology **2012** • External analyses of M&E system were initiated • 2nd Progress Report on the implementation of RAP1 was prepared **2013** • The third TA Project "Support to the coordination and implementation of PAR in BiH" has started **2014** • TA 3 project – consultations with the PAR coordinators on the future of PAR	**Progress reports on implementation AP1/RAP1 and Reports on Work of PAR Fund** These are being prepared by PARCO on a semi-annual/quarterly basis. They provide findings of monitoring and evaluation of the AP and the Revised AP implementation, present activities and fund expenditures of the PAR Fund. **Analyses of horizontal and vertical capacities These will cover** the state of affairs of PAR in BiH. **Draft document "PAR 2020: the next steps" is prepared and being discussed** This is the new approach in PAR planning that has been proposed.

I PAR Strategy environment

The PAR in BH represents the key dimensions of the reform process towards a country's accession to the European Union. Attention is currently paid to the fulfillment of obligations which arise from the Stabilisation and Association Agreement[9] which BiH signed with the EU on 16 June 2008, as well as to the fulfillment of other preconditions which stem from the previous European Partnership/EP for BH (PAR was identified as one of the key priorities). Progress in the fulfillment of the EP priorities was monitored through the Reform Process Monitoring (RPM), which represented a central channel for political, economic and technical dialogue between the European Union and BiH. During the implementation period of the Action plan for EP, the process coordinated by the Directorate for European Integration BH, the plan's priorities were synchronised with PAR priorities and mid-term goals were derived from PAR Strategy and Action plan 1. The importance of the PAR process was recognised and it was linked to different strategic development documents of BH, such as National Mid-Term Development Strategy of BiH (2004-2007) and BH EU accession strategy which existed at the time of PAR Strategy preparation.

The connection of PAR Strategy adopted in 2006 with other national strategic documents coming into force after 2006 (National Development Strategy and Social Inclusion Strategy) was enabled through its vision, strategic goals and especially through the process of revision of the operational document – Action Plan 1 – conducted in 2010. Therefore, the PAR strategy is compliant with the revised National Development Strategy and the Social Inclusion Strategy from 2008. PAR Strategy, especially Action plan 1 in the context of the IT horizontal area, was also well linked with the BH Council of Ministers e-Government strategy (2004) and its implementation plan. The Anticorruption strategy 2009-2013 adopted at the BH State level, introduced a set of strategic goals and corresponding measures in an Action plan which were complementary to the PAR Strategy framework, as was also the case with the Judiciary Sector Reform Strategy of BiH (2007-2012).

The relevance of the PAR Strategy in an EU integration context (after 2006) has been recognised in the process of the IPA II programming and sectoral approach. In the preparation of the Country Strategy Paper (CSP)[10] for IPA II Planning, the EU Delegation has given the significant role to the PAR, identifying it as one of the sectors under support from 2014-2017 in the

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9 Article 8 of the SAA clearly relates the process of accession and administrative reform in Bosnia and Herzegovina.
10 European Commission, (2014), "Country Strategy Paper for Bosnia and Herzegovina (2014-2017)" (draft).

area of Democracy and Administration. The draft of the document, which is still undergoing the consultation process, states that support within the IPA II package will be focused on the application of the concept of good governance and improvement of management in the public sector, especially in the areas of economic management, management of the public finances, provision of public services and anticorruption.

One of the preconditions for IPA II support is the application of sectoral approaches. In 2014 the European Commission commissioned a study entitled "Mapping Sector Strategies" to identify the gaps in applying sector-wide approaches in the Western Balkan countries and Turkey. The goal was to analyse the needs and capacities of the beneficiary countries to apply the sectoral approach through the assessment of national sector strategies, institutional capacities and mechanisms for strategic planning in selected priority sectors for EU support in the programming period from 2014-2020. From the scoring results, that encompassed seven sectors in total, two outstanding sectors in BiH were identified: "Justice" and "Public Administration Reform". These were evaluated as being ready for the Sector Approach with scores of 45,17 and 47,92 respectively. Both sectors showed the highest maturity for a sector-wide approach: having active country-wide strategies with action plans under implementation, monitoring the implementation via monitoring tools and organising regular reporting activities. Both sectors are also actively managing sectoral coordination activities as well as donor coordination.

II Methodology for PAR Strategy development

Bearing in mind the previously stated background and history of the PAR Strategy development, both primary and secondary research has shown that - for the time being - no national methodology for the development of the strategic document exists. In the given period, the closest link to a methodological approach in strategic policy planning has come from external sources, primarily in various documents of the European Commission and especially in those which are important for the Stabilisation and Association Process for Bosnia and Herzegovina.

In the light of this, the PAR in Bosnia and Herzegovina as a national policy was initiated and has been heavily influenced by the international community, especially the EU. This apparent in the Feasibility Study for opening negotiations on Stabilisation and Association Agreement and the European Partnership which identified PAR as one of the key short-term priorities for the BiH's accession.

Therefore, when trying to identify and formulate historical and operational development of the methodology for the PAR Strategy development in BiH, several key factors need to be taken into account. **The first** factor is related to the aforementioned context of EU integration requirements. **The second** predominant factor is the country specificities mirrored in the highly complex administrative system with four horizontal administrative systems and levels of governance – the State, Entity (Federation and Republic of Srpska), and a specific level of Brčko District. **Third**, the post-conflict society and the transitional economy required a new structure of public administration and division of competence, based on a new constitutional set-up. The **fourth** and final factor includes the administrative culture, developed from the strong bureaucracy and self-sufficiency of public administration.

In that sense, it is possible to conclude that the very methodology for development of the PAR strategy has not been developed and formulated as such; there were no strategic guidelines or formulated policy per se. Notwithstanding, through in-depth research and understanding of the process, one can extract certain elements which provide an integrated approach and development of the methodology which guided the preparation of the national PAR strategy and its operationalisation.

In order to construct this methodological approach, it is necessary to observe several phases in its development: political decision, system review and in-depth analysis, strategic framework, institutional set-up and monitoring and evaluation. Following the historical development, it is possible to conclude that the methodology of the PAR strategy preparation adhered to the logic of strategic planning provided by literature as well as the Strategic planning and programming cycle of the European Commission[11].

Following the historical and institutional developments in preparation and implementation of the BH PAR Strategy, it is possible to identify several specific phases illustrated in the diagram below:

PAR: Our Agenda MoU on Functional reviews	Political decision/Policy
System Review of PA PARCO establishment	Strategic context
System Review of PA PARCO establishment	Strategic framework
Action plan of the PAR Strategy	Institutional/operational framework
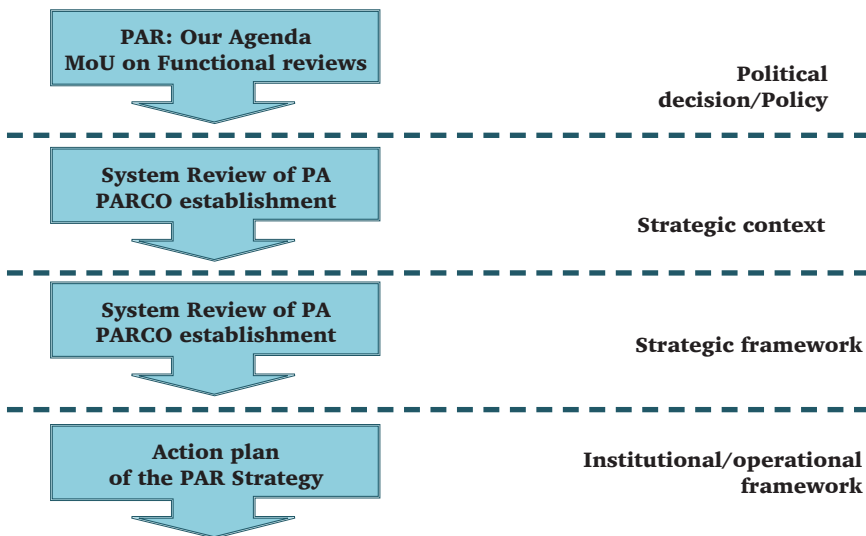
Political decision on formulation of the PAR as a policy was stated, for the first time, in March 2003 in the document "PAR: our agenda"[12] adopted by all governments in BiH. This document clearly stated the decision on "comprehensive and integrated Public Administration Reform" and highlighted five promises, such as: organisation, financing, personnel, procedures and public services. Furthermore, this document stipulated the PAR Strategy and provided strategic guidelines on how the Strategy had to be prepared and implemented.

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11 European Commission: "Strategic Planning and Programming Cycle", available at: ec.europa.eu/atwork/planning-and-preparing/strategic-planning/index_en.htm.
12 Council of Ministers, (2003), "PAR – Our Agenda".

The significance of this document is that it prioritised the creation of the Strategy as an aim; it defined the integrated approach which takes into account individual progress and peculiarities; and it announced the functional review of public administration, which should be basis for the PAR Strategy.

Strategic context, or contextualisation of the PAR Strategy, was a key step in the process. Drawing upon the political decision and commitment, this phase has allowed for an in-depth analysis and system review of the existing administration structures highlighting the necessary areas and priorities for reform. Based on the PAR agenda document, the intergovernmental task force on PAR was appointed comprising of representatives of all levels of governments. The political decision has gained a further strategic dimension with the signing of the Memorandum of Understanding on Functional Reviews with the European Commission in November 2003. This has resulted in the EU funded project "System Review of Public Administration Institutions of Bosnia and Herzegovina" (April 2004 – February 2005), which has prepared a comprehensive study and overview of the administrative structures and recommendations in the 6 key horizontal areas, including the functional reviews of the most important vertical structures (sectors). The ad-hoc structure for implementation of those reviews was established and one of the key steps was taken following revision of the Memorandum and establishment of the Public Administration Reform Coordinator's Office, as a key point for coordination and preparation of the Strategy.

The importance of this phase was demonstrated with the adoption of the national Public Administration Reform Strategy in 2006, based on the findings of the System review[13] and using the scope, structure of the process and relevant areas identified by the review. Therefore, in the context of the PAR Strategy preparation, the System review can be observed as a real methodology for the future development and strategic context of the BH PAR Strategy. This conclusion is supported by the Final Report of the System Review, where the methodology of the analysis shows that the findings and the structure of the review will serve as a basis for the development of the PAR Strategy:

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13 PARCO, (2005), "System Review of Public Administration in BiH: Final Report", available at: parco.gov.ba/?id=442.

PHASE I: BASELINE SETTING

BEST EU PRACTICE
Eu Acquls; EU documents;
EU Member States practices

CUSTOM-MADE BASELINE
QUESTIONNAIRES

BiH CONDITIONS
Avalible studies and docummentation
from previous analyses and projects

PHASE iI: DATA COLLECTION

PRELIMINARY CONTACTS

PRESENTATION OF THE REVIEW

STRUCTURED INTERVIEWS

COLLECTIVE WARKSHOP

CONTROL VISITS

PHASE iII: DATA ANALYSIS

Interim Report BH level

Interim Report RS level

Interim Report FBIH level

Interim Report BD BiH level

Final System Review Report
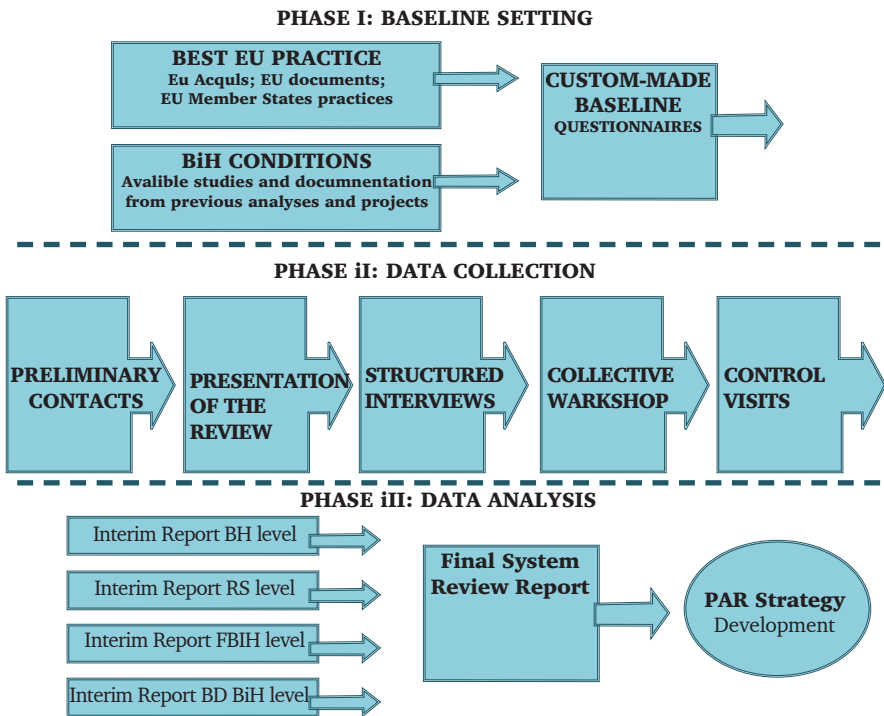
PAR Strategy
Development

Diagram: System Review Methodology

III Content of the PAR Strategy

The vision of the PAR Strategy is "*to create a public administration that is more effective, efficient, and accountable; that will serve the citizens better (sicĆ for less money; and that will operate with transparent and open procedures, while meeting all conditions set by European Integration, and thereby truly become a facilitator for continuous and sustainable social and economic development*"[14]. The vision itself refers to the "conditions set by European Integration", which can be drawn from the foundations of the Strategy on the EU requirements regarding administrative capacities and its ability to adopt and implement the *acquis communautaire*. The Strategy upholds: the principles of the European Administrative Space (reliability and predictability, openness and transparency, accountability, and efficiency and effectiveness); the standards of good governance systematised by the SIGMA; and the principles of good governance (European Commission White Paper on Governance) which include openness, participation, accountability, effectiveness, coherence. All those principles have been largely incorporated into the vision and goals of the PAR Strategy. At an operational level, they have been incorporated into the measures and activities of the Action Plan.

The scope of the PAR Strategy is defined primarily through the development of the administrative structures at the administrative levels of the State (BiH), Entities (Republic of Srpska and Federation of BiH) and the District (Brčko) institutions. In other words, it covers the reform of central administrations at these levels. Notwithstanding, a reform of such scale and in such a complex environment also entails fundamental changes in the way all institutions work, which naturally affects the municipal and cantonal administrations, as well as the broader public sector.

The two main strategic goals of the Strategy are: the improvement of the *general administrative capacity***,** through the reform of core horizontal systems and structures of governance; and the creation of more *coherent administrative structures* within and between various levels of administration and for *managing change* toward the desired goals of each sector. The operation of the strategy has been envisaged through the action plans using the phased-in approach, drawing upon the two strategic goals. The first Action plan focused on concrete proposals to develop the administration's *general capacity* in order to develop *effective and coherent* policies and

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14 PARCO, (2006), "Public Administration Reform Strategy in BiH", available at: parco.gov. ba//?id=68.

coordination to meet public goals. It also focused on building, strengthening and harmonising the general systems of: Public Finance and Human Resources Management, Administrative Procedure, Information Technology and Institutional Communication. Having concluded that the current development of general capacities is insufficient, the Strategy intends to bolster the sectoral administrative capacities through the second Action plan, focusing on improving the coherence, effectiveness and efficiency of the administration and its institutions, thereby reducing fragmentation within and between government levels.

The duration of the PAR Strategy has not been explicitly stated, but it can be inferred from the three envisaged stages of implementation. It was planned that the first phase of implementation (2006-2007) would improve the basic administrative system, with the aim of strengthening and harmonising capacities to achieve žgeneric ability' across the public administration, enabling it to adopt the requirements of the EU *acquis communautaire*. Two more cycles were envisaged: medium-term 2007-2010, and long-term 2011-2014.

Through the identification of the key six reform areas (Coordination and Policy Making, Public Finances, Human Resources Management, Administrative Procedure, Institutional Communication and Information Technologies/e-Government), mid-level strategic goals were set. They were related to the main principles and thematic areas, such as: legislative quality; institutional capacities for strategic planning and policy making; human resources management; integrity; anti-corruption; public finances; PIFC; e-Government; communication; administrative procedures; and services. All these concepts were further developed and translated into specific measures and activities through the Action Plan 1, for the period 2006-2010.

For example, the introduction of the internal financial control (PIFC) is being identified as one of the priority areas in the area of Public Finances. The realisation of this goal, based on the PAR Strategy and further elaboration through the AP, involved the adoption of policy documents and the relevant PIFC legislation. The next steps related to the identification of the Central harmonization unit for PIFC and introduction of the internal audit as a public sector function. Indeed, this exemplary model was mentioned in the SIGMA's Assessment Report for 2013, which stated that *"the development of PIFC is a clear element of the 2006 PAR Strategy"*[15].

After the expiry of the Action Plan 1, the PARCO initiated the review of its results and measures, with the help of the EU financed Technical assistance project. The key concepts were revised and strengthened in this process,

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15 SIGMA, (2013), "Assesment Report Bosnia and Herzegovina".

taking into account the changes in the environment, priorities and European practice. In 2011 the Council of Ministers of BiH, the Government of FBiH, the Government of the Republic of Srpska and the Government of Brčko District adopted the Revised Action Plan 1 (RAP 1)[16]. It reviewed the existing Action plan by taking stock of the objectives and activities which had either already been implemented, were too abstract, too unrealistic given the situation in BiH and individual Entities or which did not provide any added value to citizens or to businesses. RAP1 sets out actions under six horizontal categories defined by the PAR Strategy – policy-making and co-ordination capacities, public finance, human resources, administrative procedure and services, institutional communication and e-Government (IT) – with deadlines set up until the end of 2014.

Although the PAR Strategy views the second Action plan (AP2) as one of the building blocks of the policy, it has never been elaborated. AP2 is supposed to focus on developing sector capacity in key policy areas, improving administrative coherence and reducing fragmentation within and among government levels[17]. With the support of the second Technical assistance project in 2012, an approach/concept was developed regarding the draft of AP2, related to the area of sector administrative reforms. The document "Basis of development of the AP2", which defined the concept, was approved in 2013 by two administration levels: the Council of Ministers of BiH and the Government of the Brčko District. Considering that the governments of RS and FBiH did not adopt the concept, it never came into force. Therefore, with the support of the Technical assistance project[18], the other possible approaches for the preparation of the plan of sector reforms/vertical component of the PAR are currently being analysed and discussed. The goal of this activity is to strategically approach the implementation of sector reforms and position them within the PAR programme for the upcoming period. It is also part of the wider debate on the future of PAR, which is currently taking part at the operational level of the PAR implementation structure.

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16 PARCO, (2011), "Revised Action plan 1 of the Public Administration Reform Strategy in BiH", available at: parco.gov.ba/?id=2842.
17 Ibid.
18 European Commission, (2013), "Support to the Coordination and Implementation of Public Administration Reform in Bosnia and Herzegovina", (IPA Project in BH, 2013 - ongoing).

IV Responsibility for development of PAR strategy and key players

The preparation of the PAR Strategy can be described as a strategic planning cycle, with several phases. This integrated approach has - in addition to the strategic set-up (strategic review of administration and development of strategic framework) and the different decisions/documents related to it - also included an institutional set-up to support the process. Bearing in mind the complexity of the BH administrative system, the various stakeholders and institutions have been involved in each phase of development of the PAR Strategy.

The first aspect of the process was the significant role of the international community in terms of defining the requirements of the reform as well as providing technical support for the implementation of different phases. In other words, it is possible to conclude that the international community and the EU in particular, have been directly involved in setting up the institutional framework and the arrangements for this process.

Historically, there were three key milestones in the preparation of the PAR Strategy in BiH. The first was the adoption of the document "PAR: our agenda" at the level of all governments. The second was the implementation of the system review of public administration and preparation of the Report. The third was the process of development of PAR Strategy, which resulted in both the strategic and operational documents which together form the Action plan.

All of the aforementioned milestones included the creation of the institutional framework and the implementation structure in order to fulfil the requirements stated in the policy framework. Such institutional arrangements are shown in the table below, starting from the strategic decision and ending with the adoption of the formal structure for implementation of the Strategy, given in the document, "Common Platform on the Principles and Implementation of the Strategy on Public Administration Reform Strategy Action Plan"[19]. This document, adopted by all Governments in 2007, concluded the development of the institutional arrangements for coordination, implementation and monitoring of the process.

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19 PARCO, (2007), "Common Platform on the Principles and Implementation of the Strategy on Public Administration Reform Strategy Action Plan", available at: parco.gov.ba//?id=62.

Phase (benchmark)	Institutional arrangement	Key Stakeholders	Responsible body	Result
1. Political decision (PAR: our agenda)	Intergovernmental task force	Ministries of justice, Administration and the Mayor of BD Heads of CSAs	Ministry of Justice of BiH	Memorandum of Understanding on Functional Reviews Establishment of the PARCO
2. System Reviews	Steering Committee Review Teams	Project Team PARCO EUD Task Manager Ministries	Project Team PARCO	System Review Report
3. PAR Strategy development	PARCO & PAR Coordinators Intergovernmental working groups	PARCO TA Project PAR Coordinators Relevant institutions Civil society Academia Business	PARCO	PAR Strategy and the Action Plan
4. Common Platform	PARCO & PAR Coordinators	PARCO PAR Coordinators Governments Supervisory teams	PARCO & PAR Coordinators	Common Platform

The strategic decision on the development of the PAR strategy was institutionalised in the document "PAR: our agenda". The first institutional arrangement was also identified in this document: it foresees the creation of the Intergovernmental task force on PAR, consisting of the relevant Ministers – Minister of Justice of BiH, Minister of Justice of FBiH, Minister of Administration and Local Self-government of RS and the Mayor of Brčko District. This task force has also included Heads of the CS Agencies and other relevant bodies, and it worked in the period March – November 2003, its activities contributing to the preparation and signing of the Memorandum of Understanding on Functional Reviews between Governments in BiH and the European Commission. Therefore, this first task force was an ad hoc structure, fully internal from the point of view of the public administration, representing relevant administration bodies and cooperating mostly with the representatives of the European Commission.

The second important phase in the PAR Strategy development started with the signing of the mentioned Memorandum of Understanding, which enabled the preparation of the Terms of Reference and the commencement of the project,

"System Review of Public Administration Institutions of Bosnia and Herzegovina" which was financed by the CARDS and implemented in the period April 2004 – February 2005. Furthermore, the Memorandum was amended in July 2004, with the establishment of the Public Administration Reform Coordinator's Office (PARCO) as a key body for the coordination of the preparation, implementation and monitoring of the PAR Strategy. The Project established the institutional structure for the implementation of reviews – the Steering Committee at the strategic level and Review Teams at the technical level. The Steering Committee was in charge of supervising the System Reviews and it included one representative from each of the administrations; the Project Team Leader, the Deputy Team Leader and the Task Manager from the EU Delegation. The public sector representatives were appointed from the Directorate for European Integration of BiH, State and Federal Ministries of Justice, Ministry of Administration and Local Self-government of the RS and the Government of Brčko District. The presidency of the Steering Committee was given to the appointed State PAR Coordinator, who was also the Head of the PARCO. The Review Teams were formed for each of the six horizontal areas, as mixed structures, including both public sector professionals and external stakeholders (foreign and local). They included civil servants from different relevant institutions and external experts, coordinated by the experts hired by the Project.

The third phase was the actual development of the PAR Strategy. It started with the preparation of the Terms of Reference and appointment of the Technical Assistance project "Support to the Public Administration Reform Coordinator's Office of BiH"[20], with a view to supporting PARCO in capacity building and the preparation of the Strategy. On the other hand, the PARCO, through its activity plan for 2005 and 2006, has initiated the process of development of the Strategy. To support the process, the Entity and Brčko District Governments nominated PAR coordinators for their respective administrative levels. With the support of the above Project, the PARCO prepared Terms of Reference for establishment of the task forces for the each of the six horizontal areas, based on the System Review and the areas identified for reform. The task forces regularly met during March and April 2006, reviewing the initial situation and defining short and long term priorities and desired goals. In April 2006, a joint workshop for all the task forces was held, where the general concept of the PAR Strategy was agreed. The work of all task forces was coordinated by the PARCO and the experts engaged by the Project. The task forces were composed of the civil servants from relevant institutions of all levels of administration and external experts, mostly from the international organizations, such as the UNDP, the EU Delegation, the OHR, the National School of Government (Great Britain), etc[21].

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20 European Commission, (2005), "Support to the Public Administration Reform Coordinator's Office of BiH: Terms of Reference".
21 Interview with the PARCO staff.

Additionally, in parallel to the work of these groups, the PARCO organised media events, public opinion polls, and thematic workshops which gathered representatives of the civil society organisations, academic community, business and private sector. Those events were used as a basis for identification of PAR vision and overall goals, using the inputs from all aspects of society[22].

Therefore, drawing upon historical developments, it is possible to follow the "evolution" of institutional arrangements and the participation of the different stakeholders in the process. As it has been shown, institutional arrangements started with the ad hoc structure at ministerial level, and with further development of strategic framework, this structure developed to function at a more technical and operational level. The system review was implemented through a technical/expert structure, predominantly comprised of practitioners from CS and the international community. Furthermore, the most concrete phase – the development of the strategic document – included even more focused practitioners and targeted external experts at the operational level, as well as wider consultations with civil society organisations, academia, private sector and citizens in order to create common vision and strategic goals. Finally, after the strategic and operational framework was adopted, the formal implementation structure was institutionalised and the circle of institutional set-up was concluded. In other words, distinct phases of development required varying structures and the involvement of different stakeholders. This historical evolution of institutional arrangements is shown in the diagram below.

22 PARCO. (2007), "PAR Strategy in Bosnia and Herzegovina", available at: parco.gov. ba//?id=68.

2003	2004	2005	2006	2007

PAR:our agenda	System Reviews		PAR Strategy	Cammon Platform

| Ministries State, Entity, District | Project | | PARCO PAR Coordinators | |

| European Commission | Steering Committee | | TA Project | |

| | Revision Teams | | Working groups | |

| | | | Consultations | |

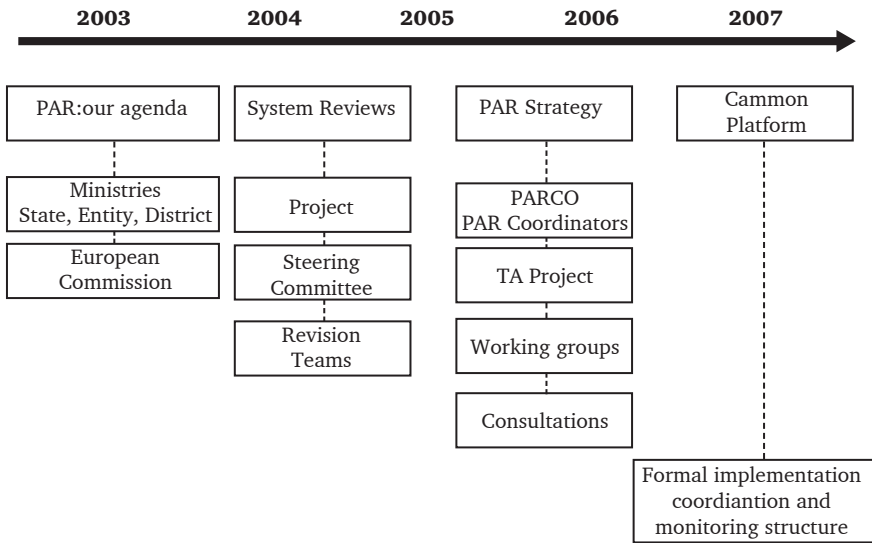Formal implementation coordiantion and monitoring structure

Diagram: Evolution of the PAR Institutional set-up

V Implementation arrangements

The PAR Strategy provided the basis for the management of the reform process: it defined the roles of the PARCO and other stakeholders in implementation; it foresaw the creation of the donor coordination instrument – the PAR Fund; and it established the system for monitoring and evaluation. With the PAR Strategy and its Action Plan adopted in 2006, negotiations on the measures and modalities of their implementation took place thereftter. These negotiations involved the PARCO and representatives of the governments and respective ministries, and were based upon the function of the PAR Strategy to establish the clear implementation structure. This process resulted in the establishment of a formal platform which identified the key stakeholders in the PAR process, taking into account the multi-layer administrative system in the country. The document entitled "Common Platform on the Principles and Implementation of the Strategy on Public Administration Reform Strategy Action Plan"[23] defined a complex management structure and its roles and responsibility for the implementation and monitoring of the reform. This multi-layered structure included several levels of responsibility and roles in the process, as shown in the diagram below:

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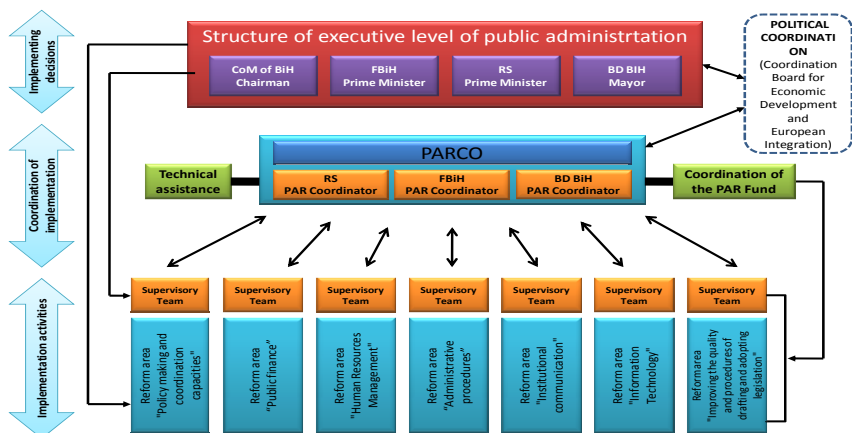
23 PARCO, (2007), "Common Platform on the Principles and Implementation of the Strategy on Public Administration Reform Strategy Action Plan", available at: parco.gov.ba//?id=62.

At the political, or policy-making level, the Coordination Board for Economic Development and European Integration was recognised as the political steering body for the PAR. The Board included the Prime Ministers and Ministers responsible for the PAR. The operational or strategic level included the PARCO and the State PAR coordinators, together with the Entity and the District PAR Coordinator. On the technical level, the innovative mechanism of Supervisory Teams was introduced, based on the intergovernmental working groups and consisting of high-level civil servants from responsible institutions (defined by the Action Plan) for each reform area.

The implementation of the PAR was institutionalised with clear roles and responsibilities. The foundations for such implementation arrangements were already established by the Action Plan 1[24], which identified the responsible institution for each reform measure and activity. At the same time, this formal structure served as a tool to coordinate the overall implementation process and its adjustment to the strategic vision, mission and goals. The other significant development was the signing of the Memorandum of Understanding for the establishment of the PAR Fund[25], which institutionalised the financial support to the reform process channeling donor funds to the operational implementation of the reform measures. The donor coordination for the sector is conducted via the meetings of the PAR Fund (PARF) Joint Management Board (JMB), comprised of the governments' representatives (PARCO and the PAR coordinators), a representative of the Ministry of Finance of BiH and representatives of the Donors. These meetings are based on consensual decision-making. The meetings are organised every two months and are expected to continue during 2014. There is also a Donor Coordination Forum organised by the Ministry of Finance and Treasury of BiH that covers all the different sectors of donor support. Total payments by the donors based on the contributions to the PARF from the moment the Annex III to the MoU was signed until May 2014 amount to EUR 4,307,617. The Norwegian Ministry of Foreign Affairs paid EUR 2,048,237 and SIDA EUR 2,259,380. Since the signing of the Annex III to the MoU at the end of 2013, the total contribution of local authorities was EUR 260,758. In 2014, local contribution has increased and currently the total amount from local authorities is EUR 386,025. All levels of government contributed to the PAR Fund[26].

On one hand, this instrument has introduced a new way of implementation of the reform measures, through the project approach. The Reform projects, defined on the basis of the activities stipulated by Action Plan 1 and the

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24 PARCO, (2006), "Action Plan 1 of the Public Administration Reform Strategy in BiH", available at: parco.gov.ba//?id=75.
25 PARCO, (2007), "Memorandum of Understanding on Establishment of the Public Administration Reform Fund", available at: parco.gov.ba//?id=40.
26 PARCO (2014)."Bi-Annual Report of the Public Administration Reform Fund".

Revised Action plan 1, are implemented following the approval of the Joint Management Board of the Fund. This enables the implementation of joint activities for all administrative levels through custom-made projects which are coordinated by the PARCO and the implementation structure. Such "common" approach implemented the "individual" approach stated in the Action Plan 1, where the institutions are implementing the measures by their own means.

On the other hand, the significance of this implementation arrangement has been even greater when one considers the monitoring and evaluation of the reform process. Roles and responsibilities prescribed for each stakeholder in the Common Platform have ensured participation in the monitoring process. The roles were given to the Supervisory Teams and PAR Coordinators to provide information and data on progress in specific areas and measures. This was a key precondition for the development of the PAR monitoring system and the methodology, developed by the PARCO, and has been implemented ever since[27].

The sole responsibility to track progress and report to the Council of Ministers was mandated to the PARCO[28]. This obligation was established with the adoption of the Strategy, together with the task of developing monitoring system, which was institutionalised with the mentioned Common Platform. Until 2009, the Progress Reports were prepared on a quarterly basis. Since 2010, by the Decision of the Council of Ministers of BiH, the reporting format has changed to bi-annual reporting on progress. The Report is being prepared by the PARCO, based on the inputs collected by its own monitoring, and the data collected through the coordination structure. The Reports are submitted to the Council of Ministers for adoption, while the Entity and the District Governments are adopting the Report as information, submitted by the PAR coordinators[29]. The implementation responsibility lies primarily with the governments.

The evaluation of the implementation, even though foreseen in the Strategy (monitoring of results and monitoring of the effects/outcomes), has not yet

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27 PARCO Reports on the Progress in implementation of the Public Administration Reform Strategy's Action Plan 1 and Revised Action Plan 1, available at: parco.gov.ba/eng/?page=364.

28 Council of Ministers, (2004), "The Decision on Establishing the Public Administration Reform Coordinator's Office of Bosnia and Herzegovina" (amended), available at: parco.gov.ba/?id=974.

29 Buha, D., Karisik, A. and Zekovic, M., (2013), "Monitoring and Evaluation System of the PAR in Bosnia and Herzegovina", (pp. 159-178) in "Effective Policy-Making: How to Ensure Desired Changes through Successful Implementation of Policies", ReSPA 7th Annual Conference proceedings: Regional School for Public Administration, available at: www.respaweb.eu/download/doc/7th+Conference+Proceeding+2013.pdf/7f5d73268fd99867f320f3909423e8f3.pdf.

been fully implemented. The implementation arrangement provided in the Common Platform structure focuses mostly on implementation monitoring. The strategic framework or methodology for evaluation of the PAR has not yet been developed. The Progress Reports contain certain elements of evaluation, but full evaluation has not yet been achieved, which is the subject of criticism in different studies and analyses conducted by civil society organisations. Also, the whole monitoring system is heavily based on the "internal" sources – the administration itself - which raises questions over full objectivity and the "exclusion" of the civil society and its organisations as a "watchdog".

In order to rectify this perception, on one hand, the SIDA financed project was launched, under the name of "Monitoring of the PAR in BiH"[30], where two CSOs were selected to perform a kind of effect-based monitoring of achievements within the PAR which focused mostly on citizens of BiH. The project started in 2013 and lasted two years, closely cooperating with the PARCO in terms of its compatibility with the existing strategic framework.

On the other hand, during the revision of the Action plan in 2010, efforts were made to carry out an evaluation of the PAR implementation in the period 2006-2010. The second Technical Assistance project of support to the PARCO, financed by the EU, engaged experts and executed an in-depth analysis of all six reform areas in order to revise the Action plan. This analysis showed signs of evaluation and was developed as an annex to the Semi-annual Progress Report for 2010[31]. Furthermore, within the scope of the PAR Fund, the framework for the evaluation of reform projects was established, and so far seven evaluations of the PARF funded projects have been conducted.

Additionally, external evaluations were carried out ranging from ad hoc evaluations in the CSO studies[32] to the European Commission Progress Reports and specific SIGMA reports on PAR in BiH.

Regarding the role of the Parliaments in the supervision of the PAR strategy implementation, it is possible to conclude that it was mostly indirect. The process of development and adoption of the PAR Strategy was focused mostly on the level of Governments. Therefore, the reporting requirements on the PAR progress were mandated to the executive authorities, without direct

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30 Transparency International BiH, (2014), "Public Administration Reform Monitoring": ti-bih. org/en/projekti/monitoring-reforme-javne-uprave-parm.
31 PARCO, (2010), "Semi-Annual Progress Report on implementation of the Revised Action Plan 1, January – July 2010", available at: parco.gov.ba/?id=2516.
32 ACIPS, (2010), "Quo Vadis, Public Administration?: Evaluation of Progress Achieved in the Implementation of PAR in BiH", available at: www.acips.ba/eng/uploads/research/PAR_brief_eng.pdf.

links between coordinating and implementing bodies and the Parliaments. Notwithstanding, the continuous involvement of the different Parliamentary bodies has been noted, emanating from the specific areas and measures of the PAR, which included several presentations for Parliamentary Committees given by the PARCO and preparation of the replies to the MP's questions. In October 2008 the House of Representatives of the Parliamentary Assembly of BiH adopted the "Declaration of Good Governance" and stated their support for sustainable PAR.

Furthermore, the direct link between the Parliament and supervision of the PAR process exists through both the obligatory financial and performance audits which were initiated in 2012 at State level. In effect, all the bodies responsible for PAR implementation are subjects of the Office for Audit (at all levels) which is, in turn, responsible for its work to the respective Parliament. In the case of the PARCO as a central point of PAR coordination and monitoring, this link is even more intrinsic. The PAR Fund, as a financial instrument, is also a subject of the financial audit, and the Annual financial reports on the work of the PAR Fund are being submitted to both Houses of the BH Parliament. In 2013, the State Audit Office piloted two performance audit studies on PAR and the monitoring and evaluation of PAR implementation.

Finally, the direct link and the direct supervision of Parliament facilitated through the adoption of and alterations to the relevant legislation, which is the end-result of certain reform measures.

VI Future plans

Based on recent analysis of implementation of RAP 1, with the expiry date at the end of 2014, it is estimated that slightly less than half of the objectives, more specifically about 44 %, would remain unimplemented[33]. The overall slower-than-anticipated pace in implementing reforms has often been linked to weaknesses in the existing PAR structures as well as to operational issues regarding elaboration and implementation of the Common Platform[34].

On one hand, the PAR management and coordination system in BH is well defined on a formal basis and takes into account the country's complex decision-making structure and the need to harmonise all decisions among different administrative levels. On the other hand, practical implementation of this model is facing certain challenges: the Coordination Board for Economic Development and European Integration has not yet managed to convene to discuss PAR agenda. This means that the political level of PAR coordination does not function in practice[35].

The expiry of the RAP1 and the end of the period envisaged for the long-term phase of implementation of the PAR Strategy has raised the question of the future of PAR in BiH. The PARCO, in its draft Annual Progress Report for 2013, indicated the need for revision of the strategic/operational framework for the PAR through the initiation of the analysis and evaluation of the results, and preparation of the mid-term PAR measures Programme[36] which will last until 2020. In addition, the PARF Joint Management Board has thus far approved 26 projects, including the approved terms of reference and project proposals for funding from the PAR Fund, out of which 12 projects have been completed. Of the aforementioned projects 24 are related with all four administration levels and two are individual and therefore related to only one administration level.

As PAR is an important issue in terms of the European Integration process of BiH, the reforms must continue. The European Commission's Progress

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33 PARCO, (2013), "Annual Report on progress in implementing Revised Action Plan 1 of the PAR Strategy (draft) for 2013".
34 PARCO, (2007), "Common Platform on the Principles and Implementation of the Strategy on Public Administration Reform Strategy Action Plan", available at: parco.gov.ba//?id=62.
35 Interviews with PARCO staff.
36 The Report relates to it as a PAR Programme, in the sense of the framework for the PAR in the period 2014-2020, where the final concept and the structure of such strategic framework is not defined at the moment.

Report for 2013[37] states the necessity to continue PAR, a view also upheld and reinforced in the draft Country Strategy Paper for IPA II, where the PAR is recognised within Democracy and Administration as one of the four key sectors of the IPA support. The SIGMA's assessment of the PAR[38] in BiH also indicates the importance of the continuation of the PAR by setting priorities and principles as the basis for future activities in this field.

Taking this into account, the end of 2014 certainly cannot be the end of the PAR in BiH. This is increasingly apparent in light of the fact that the RAP1 is not yet been fully implemented and that it is unrealistic to accept that it will by the end of 2014. No concrete political decision on the next steps has yet been taken or noted, one of the reasons being that 2014 is the election year in BiH, and consequently, the mandate of all governments is expiring. Therefore, the only concrete steps have been taken at the operational level, in the forum of the PAR coordinators and on the initiative of the PARCO as a key coordination body. Following that initiative, the third EU Technical Assistance project, which is ongoing[39], has been asked to alter its focus to strengthening coordination structure and developing sector reforms. During 2014, the Project Steering Committee on the initiative of the PAR Coordinators and supported by the EU Delegation in BiH was assigned to conduct a comprehensive analysis and prepare recommendations for future steps for the PAR in the mid-term period, by 2020.

Looking at the historical development and the partial change of strategic framework through the process of revision of the operational document (Revised Action Plan 1), there are two possible scenarios for the future of the PAR in BIH – partial (operational) revision or strategic change with the new strategic framework.

The first possible scenario would result in operational change, through the continuation of the measures of the RAP1 and preparation of the "new" Action plan focused on the horizontal reforms, with the prospect of "bringing to life" Action Plan 2 for sectoral reforms. This scenario is possible in the case of a lack of or delay in the political decision and consensus.

The second scenario is based on the partial or full change in the strategic framework through the preparation of the mid-term **PAR Programme**, which would probably upgrade the PAR Strategy which has been in force since 2006. A first step in this direction has been done through the work of the Technical Assistance Project and the preparation of the draft of

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37 European Commission, (2013), "Bosnia and Herzegovina 2013 Progress Report", available at: ec.europa.eu/enlargement/pdf/key_documents/2013/package/ba_rapport_2013.pdf
38 SIGMA, (2013), "Assessment Report Bosnia and Herzegovina".
39 European Commission, (2013), "Support to the Coordination and Implementation of Public Administration Reform in Bosnia and Herzegovina", (IPA Project in BH, 2013 - ongoing).

the document "PAR 2020: future directions[40]" since April 2014, which is currently in the phase of comprehensive consultations at operational level.

The draft of this document has indicated a current state of affairs and it is proposing **two strategic objectives:** improvement of the general administrative capacities; and the improvement of the quality of the services through the introduction of the "citizen-oriented" concept, reorganization and the functional redesign of administrative structures. The approach to the planning of the PAR is proposed in three steps:

1) Continuation of horizontal interventions through completion of non-fully implemented goals of the Revised Action Plan 1 (horizontal capacities) and priorities for the period 2014-2017
2) "Citizen-oriented" services, with a comprehensive plan of Proposed "Citizen-Centric Projects" and activities oriented at the quality of the services
3) "Operational Programme" concept, which is equivalent with the EU regime of structural funds as a framework for the implementation of the full scope of the PAR, with the modular approach, including both horizontal and vertical administrative capacities.

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40 Technical Assistance Project, (2014), "PAR 2020: future directions (draft)", prepared by the Support to the Coordination and Implementation of Public Administration Reform in Bosnia and Herzegovina Project.

VII Conclusions

Based upon the research and the analysis elaborated above, it is possible to identify some structural weaknesses in the planning, development, implementation, monitoring and evaluation of the PAR in Bosnia and Herzegovina. Those weaknesses, regardless of their origin and scope, should definitely be used as lessons learned in the future activities and policies of PAR in BiH. From a broader perspective, some of the stronger points and weaknesses drawn from this complex process can also be used and applied in other countries (with similar background and similar position regarding EU integration) and presented in the form of recommendations.

The PAR Strategy in BiH as a whole will need to be renewed and associated to the functioning of the EU integration structures within various levels of government to strengthen the administrative capacity of the country when dealing with EU matters and responsibilities. Such integration structures, besides the Directorate for EU Integration of BiH, have been institutionalised since 2006, with the EU Integration departments/units in the ministries and the Parliaments. They need to be brought in line with the PAR implementation structures. E-governance and other means to provide faster, more transparent and efficient delivery of public services should also be advanced at different levels.

The "PAR Programme" concept is still under discussion and could undergo significant changes before political consensus and adoption by the governments at all levels. Also, important international initiatives, such as: the Open Government Partnership; EU related concepts of good governance and sustainable development; local sector strategies of anti-corruption; judicial reform; EU integration; and quality management will all have a significant impact on future strategic decision-making and the framework of the PAR as a policy in BiH.

The PAR strategy in BiH is not budgeted. It relies upon financing from the PAR Fund, which is supported by Denmark, Sweden and Norway through donations. These donors are partners for the EU in support of PAR. In order to ensure the sustainability of the future PAR process, budgets at different levels of government in BiH will have to ensure increased allocations for reform projects and initiatives.

Further financing of PA reforms could be done based on an *Operational Programme (Sector Programme)* approach. This would enable a multi-annual and more comprehensive approach towards PAR, as well as the pooling of donor resources in a new manner, compared with the approach of stand-alone projects under various annual IPA programmes and PAR Fund-financed projects.

The future actions could be directed to: support PARCO and all relevant counterparts in setting up the institutional framework for managing the Operational Programme; improve capacity to manage the Operational Programme; revise the regulatory framework for the operation of the PAR Fund in terms of adapting to Operational Programme approach; as well as exploring workable solutions for merging IPA II funds with other donor funds to finance the PAR Operational Programme.

VIII Recommendations

The elaboration of the PAR process/policy development and implementation could be used to derive certain recommendations in this field, both country-specific and generally applicable. The specific and highly complex, multi-level administrative structure and policy and decision-making process which exists in BiH can most certainly be used as very useful testing ground for some universal recommendations. Therefore, such recommendations can, in line with the aim of the study, be sorted into three thematic areas: development process, content of the PAR Strategy, and implementation/monitoring/evaluation arrangements.

a) Recommendations for the improvement of the development process of the PAR Strategy/policy:

- Having a methodology of preparation of a comprehensive strategic document, such as the PAR Strategy, is highly important for every participant in the reform process. Therefore, a step forward could be the development of some kind of the general methodology (guidelines) at regional level, which could constitute a good strategic tool for all countries with similar backgrounds and problems, allowing them to build upon the best practices and lessons learned in this complex process. Once such methodology is in place, it could be further improved by applying all the country specifics regarding the administrative architecture, organisation and administrative setup of a country. However, the general principles, methodological elements and the good practices would form a solid starting point.
- A National-level methodology for the preparation of the strategic documents, especially for areas such as the PAR, is highly desirable. The BH experience has shown how complex and time consuming it is "starting from zero" in the development of such a complex policy.
- The tool of "System Reviews" has been identified as extremely useful for the development of the PAR Strategy. This integrated strategic review approach constitutes the best starting point for the development of a mid-term strategic document, ensuring that all the micro and macro elements of the environment are taken into account and properly understood. The existence of the donor community, and especially IPA funds, could enable such comprehensive preparation for drafting the Strategy. Quality planning and the usage of the available Technical assistance would also enable greater involvement of all relevant actors in the preparation process.

- A quality identification of the key actors and "mapping" of the stakeholders is necessary in the early phase of Strategy design. This activity should be supported through a structured, quality consultation process which includes, besides people from within the administration, different categories of decision-makers. For example, Civil Society Organisations, academia, and representatives of the business community (taking into account one of the basic principles of modernisation of administration with regards to the better quality of services for all beneficiaries). This can be generalised by putting more focus on the requirement for the **participative approach** in each phase of the policy document development – from methodology design, via implementation, to policy evaluation.
- The development process of a horizontal policy such as the PAR needs, in its design phase, to take into account the other horizontal policies, sector strategies and policy documents, regardless of whether or not they are in place or planned at the moment of policy design. It is necessary to position the policy regarding the scope and the content of those documents. The same goes for the operational documents for the implementation of the policy (action plans), in order avoid creating confusion in the implementation process, convergent institutional set-up or duplication of monitoring and reporting systems in the following phases.
- In countries with a complex administrative and constitutional setup (such as BiH), a good coordination (both horizontal and vertical) is necessary and must be applied as soon as the strategic documents are created.
- It is necessary to have a flexible, well defined and institutionalised leading coordination body (or bodies) in the process of policy preparation. Such a body needs to be in place at the design phase, having a clear role, mandate and institutional arrangements with the all important stakeholders. Such a body should simultaneously be the advocate and the initiator of the whole process of preparation of methodology/design of the policy.

b) Recommendations for improvement of the content:

- Based on the past implementation of the PAR Strategy in BiH, and its operation through the Action plans, a clear need for the inclusion of indicators at the level of strategic goals has arisen. In other words, clear and precise indicators need to be positioned for the key dimensions/pillars of the Strategy, and they must be related to the effects and the outcomes of the expected strategic interventions. The existence of such indicators will ensure the coherence in its implementation (regardless the number of operational/action plans) and create the preconditions for planning and realisation of the evaluation of the Strategy (mid-term and the final/ex post) evaluation.

- The implementation mechanisms and institutional setup, including clear mechanisms for monitoring and evaluation, should be included at the very content of the strategic document, especially if those documents which are revised/upgraded, and have a previous "history" of implementation and lessons learned. This will save time and optimise the dynamics of later implementation because those unresolved issues can become "bottlenecks" in further implementation, in order to affect initial delays.
- The same observation applies to the mechanisms and modalities of financing, which need to be incorporated into the strategic document as a guarantee of realistic implementation of the policy. Where possible, operational documents should have at least a rough cost estimation, linked with the source of financing. The link with the budget could be institutionalised through program budgeting and the PIFC instruments.

c) Recommendations for improvement of implementation (including monitoring and reporting):

- It is necessary to clearly locate the responsibility for implementation of the Strategy at a political level and to ensure that there is adequate political leadership and support of the entire PAR process. The experience of BiH has shown that this is a *conditio sine qua non*. The technical level of the PAR implementation could perform impeccably, but the result will most certainly be unattainable unless the propositions and solutions are put to the decision-makers and clearly supported by the "advocates" of the reform at political level.
- For successful implementation, it is necessary to identify one or more of the key coordination points which are professionally dealing with that task. They should act as change agents towards the rest of the administration. These central points are the promoters and carriers of the whole process, and, therefore, they must have their capacities fully built and be equipped with specific skills/competences which are usually not represented in the rest of the administration.
- For the sustainability and realism of the reform to be achieved, it is necessary to ensure adequate connection between the goals proclaimed in the strategic document (both at strategic and operational level) and the system of strategic planning of governments and individual institutions. Without a clear link and mechanisms to connect sectoral and horizontal strategies with operational programmes and working plans of Governments and institutions responsible for implementation of the measure, there will be no effects "at the field".

- It is highly desirable to develop clear guidelines on coordination among different bodies in the PAR process, especially on the particular policy areas, such as monitoring, reporting, evaluation, etc. Such guidelines needs to be understandable, based on the best practices, and binding for the key actors regarding their roles, responsibilities and engagement in all of the phases of the policy cycle. This is of utter importance in complex administrative systems such as that of BiH.
- The PAR Fund has been proven as one of the most important developments in the BiH PAR context. Such a concept of support tool and financial management could be applicable in the other countries, as a source of financing the reform activities and programmes, but also as a useful tool for donor coordination and the attraction of external financial sources. As a fully developed model, with all of the procedures and existing practice, it stands as one of the examples of good practice which could be utilised and adapted to country specifics.

Croatia Case

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Background of the PAR Strategy development

Since independence, Croatia has gone through several phases of development of its public administration. Broadly speaking, one could distinguish between several important milestones, which represent the starting points of particular phases in development of public administration in Croatia. These are:

- 1990 – *Phase of establishment* – In this phase public administration in Croatia was established within the context of independence after dissolution of the former SFRY. After the adoption of the Constitution in 1990, Croatia had to build an administrative apparatus, especially in the administrative areas which did not exist when Croatia was one of the federal republics of the former SFRY. However, there was no strategy adopted for creating the new administrative structure. A role model was found in the French semi-presidential centralised system of government. The French system was, due to its very strong presidential position, very suitable for Croatia, who had experienced war on its own territory and needed strong institutions on central level of government. Throughout this period, many laws from the former SRFY continued to be applied in Croatia with only necessary - mainly technical - changes.

- 1993 – *Phase of consolidation* – with adoption of several important laws in 1993 which regulate various aspects of public administration in Croatia (e.g. Law on state administration, Law on local government, etc.), the phase of consolidation of public administration began. However, this was in many ways a continuation of the previous phase and was marked with deep politicisation of the public administration, a high level of centralisation and a lack of mechanisms of sound administrative coordination.

- 2000/2001 – *Phase of modernisation (early stage of Europeanisation)* – The change of Constitution in 2000 and replacement of the semi-presidential system with a parliamentary system of government marked the beginning of the deeper modernisation process of public administration, making ground for the introduction of principles of the European Administrative Space (EAS) into the Croatia's public administration. In 2001 Croatia signed Stabilization and Association Agreement with the EU and in 2003 it formally submitted application for the full EU membership. Joint work by various administrative

authorities to prepare answers to EU's questionnaire (4,560 questions) on the functioning of the various institutions in Croatia's public sector was one of the major coordination challenges for the public administration. Some parts of the public administration, e.g. local government, were reformed in this period with its significant reconfiguration and decentralisation process. However, this was not consistently followed through in the period which followed and the decentralisation process slowed down again after a while.

- 2005 – *Phase of Europeanisation of public administration* – with the opening of the negotiation process for EU membership in October 2005, started the new phase in development of public administration in Croatia. The negotiation process stimulated the harmonisation of Croatian legal system with the EU *acquis communautaire* and the establishment of administrative structures to effectively manage EU affairs in the future. In 2010 the Croatian constitution has been changed in order to make legal grounds for functioning within the EU. A new chapter was introduced regulating the main questions of functioning in the EU such as: legal basis for membership, participation in the EU institutions, effects of the EU law and the rights of the EU citizens in Croatia.

- 2013 – *Phase of the EU membership* – on July 1 2013 Croatia has became 28th member state of the EU. It started to fully participate in the policy process of the EU as well as in the implementation of its *acquis communautaire* and public policies.

I PAR Strategy environment (link with other relevant national documents)

The EU accession process was the most significant driver of policy coordination and reforms in many administrative areas. From responding to the EU Commission's questionnaire at the beginning of the accession process to the legal and policy harmonisation in many administrative areas, it was one of the main drivers of reform in the last decade in Croatia. As shown in the Table 1 below, one third of all adopted laws (458 – 33,1%) in the last decade was due to harmonisation with the EU *acquis communautaire*.

Table 1Legislative activity in the last two assemblies of the Croatian Parliament

Assembly	Adopted						Withdrawn	Rejected
	Total (%)	**EU draft (%)**	Regular (%)	Urgent (%)	Unanimously (%)	Majority (%)	(%)	(%)
(03-07)	568 (100)	**160 (28,2)**	134 (23,6)	434 (76,4)	144 (25,4)	424 (74,6)	49 (8,6)	133 (23,4)
(08-11)	815 (100)	**298 (36,6)**	109 (13,4)	706 (86,6)	217 (26,6)	597 (72,3)	21 (2,6)	42 (5,2)
Total	1383 (100)	**458 (33,1)**	243 (17,6)	1140 (82,4)	361 (26,1)	1021 (73,8)	70 (5,1)	175 (12,6)

Source: Croatian Parliament www.sabor.hr

For the most part, the pre-accession period of reform of public administration was perceived as an integral part of the preparation for EU accession. It was also mainly perceived as preparation and adoption of the necessary legal bases, as opposed to following implementation and using "soft law" measures in order to achieve real change.

From 2003 concluding with 2009 Croatian Government adopted the National Programme for the EU accession. This was a substantial document adopted on an annual basis and containing the necessary laws, other documents, activities and measures (e.g. Strategies, training activities, implementation measures, etc.), which were needed in order to complete the accession process[1]. By 2010, after the majority of the substantive work concerning the negotiation process had been finished, the government adopted a shorter document called Plan for legislative activities. In 2011 and 2012, this document was called the "Government Programme for Implementation of the EU *acquis*".

Parallel with activities related to the EU accession process, Croatia also prepared and adopted the *Strategic Development Framework* (SDF), a strategic document covering the period from 2006-2013. Its main goal was to achieve "… social prosperity through development and employment in a competitive market economy acting within a European welfare state of the 21st century." (SDF, 2006: 10). One part of the SDF was devoted to the new role of the state (Chapter XI) in which public administration had significant role to play (Section 1. A competent and effective public administration – cheaper, faster, better) (SDF, 2006: 69)[2]. This document was intended to be a general strategic framework for various sectoral strategies, projects and other activities which should have been undertaken in the seven-year period the SDF was intended to cover. However, some of the strategic documents did not contain reference to the SDF as general policy framework (e.g. State Administration Reform Strategy), while others did (e.g. Civil Service Human Resource Development Strategy).

Alongside the efforts to fulfil requirements for closing the EU negotiation process, several other documents that also deal with PAR were adopted. These were:
State Administration Reform Strategy (2008-2011) – SARS
Civil Service Human Resource Development Strategy (2010-2013) – CSHRDS

After the accession to the EU, Ministry of Administration has adopted the Strategic plan of the Ministry of Administration for 2014-2016, which actually serves as PAR strategy in current period

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1 E.g. The National Programme for the EU Accession for 2008 had 820 pages and for 2009 it had 677 pages.
2 This part proclaimed five strategic goals in this area: 1. Establish a competent and effective public administration which at the same time protects public interest and the equality of all citizens and entrepreneurs, while decreasing operating costs; 2. Continue to work on increasing the efficiency, professionalism and knowledge of public administration; 3. Increase the transparency of the work of public administration and strengthen the combat against corruption; 4 Establish networking through IT in the service of users – developing e-public administration; 5 Contribute to a decrease in business costs by repealing obsolete, and simplifying existing, legislation.

State Administration Reform Strategy (SARS) was adopted by Government in March 2008 after several years of preparation in the Ministry of Administration (former State Office for Administration) – and covered the period from 2008-2011. It was presented to the public in January 2006 at the round table organised by the Croatian Academy of Sciences and Arts called *Reform of Croatia's State Administration*. This discussion was followed by publication with the integral text of the Draft Strategy and other documents (HAZU, 2006).

Civil Service Human Resources Development Strategy (CSHRDS) was prepared by the Ministry of Administration (MA) and was formally adopted by the government in December 2009. It covered a period of four years, from 2010-2013 and was the product of cooperation of MA and donor organisations, namely the British Council and the Danish bilateral assistance project entitled, "Support to Development of a Civil Service Human Resources Development Strategy".

For the 2014-2016 period, the MA has adopted the *Strategic Plan of the Ministry of Administration* (SPMA), which contains the vision, mission and strategic goals together with the activities and the indicators for measurement of outputs. It actually serves as the current PAR strategy.

For the purpose of this study these three documents devoted to some aspects of PAR have to be analysed and compared. These are in the chronological order of their preparation - SARS, CSHRDS and SPMA.

II Methodology for PAR Strategy development

Dominant legalistic culture and public management based mostly on adoption and changing the legal rules (steering by the rules is the dominant public management style in Croatia) are the main characteristics of Croatian public administration.

When it comes to nationally defined guidelines for drafting, implementing and monitoring policy documents, Croatia does not have such unified general guidelines that would be used in the process of elaboration of strategic policy documents such as PAR strategies or strategies in other administrative areas. There is some regulation related to planning of regional development[3]. General legislation of public administration requires that administrative bodies follow development in their respective administrative area and develop draft reports and other documents but specifies neither any particular methodology nor content of these documents.

However, there are several instruments which have been used in the process of drafting and adoption of strategic documents, especially of legal acts. These are instruments used in process of: a) consultation with interested public and b) Regulatory Impact Assessment (RIA).
In November 2009, the Croatian Government adopted the *Code on consulting interested public in the process of adopting laws, other legislative documents and acts* (Official Gazette 140/09). This is a general instruction that should be used in the process of adoption of laws and other legal documents and Acts that deal with human rights, the judiciary, public services environmental protection, etc.

Croatia also adopted Regulatory Impact Assessment Act (Official Gazette 90/11) which regulated: documents required for RIA process, planning of legislative activities, responsibilities of line ministries and other administrative bodies, public consultation and obligatory training of civil servants regarding the RIA process. According to this act there is harmonisation in the process of drafting and adoption of legal acts. However, there is no need to apply RIA requirements when it comes to development and adoption of strategic policy documents.

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3 E.g. Regional Development Act and its implementing regulations (Rulebook on obligatory content, methodology and evaluation of county development strategies, OG 53/10) envisaged that county development strategies should follow a common methodology.

A prevalent characteristic of Croatian public administration is intensive compartmentalisation and fragmentation of public administration with a lack of coordination among various administrative bodies. In this sense, every administrative authority operates within its legally-defined scope of competences and there is a low-level of information-sharing and coordination of activities among different ministries. Sometimes administrative authorities produce and adopt different strategic documents which were poorly coordinated and unsuccessfully harmonised with similar documents produced by other administrative authorities.

The EU accession process has served as unifying factor and has, to a certain degree, helped to strengthen overall coordination processes in public administration. Notwithstanding, compartmentalisation still remains a significant challenge in the Croatian public administration.

III Responsibility for development of PAR strategy and key players

Development of the SARS as well as the CSHRDS was undertaken under the auspices of the Ministry of Administration (MA), (previously the Central State Office for Administration). MA is the central administrative body responsible for the whole system of public administration in Croatia. To develop policy documents, mostly in-house working groups have been established with the support of external experts such as university professors and foreign consultants. These external experts have been engaged through internationally – mostly EU – funded projects aimed at strengthening particular aspects of public administration. The whole process of PAR strategy development was not structured in any particular way. The documents have been produced mostly as a sort of desk work exercise with the support from the academic community and(or) international experts.

The initial draft of SARS was developed by the MA. It was drafted by internal sources and no particular working group had been established. After the finalisation of the SARS draft, several public debates were organised. One debate in particular was held at the Croatian Academy of Sciences and Arts and its audience comprised of: the members of the Academy and its Scientific Council; representatives of the government; the Parliament; the Constitutional Court; the Administrative Court; representatives of various government bodies; heads of state administration offices in counties; county representatives; professors of public administration and political scientists dealing with issues of public administration. Strategy was also published in the Croatian Academy of Sciences and Arts series Modernization of Law and made available to wider audience. Discussion was also held at the session of the Economic and social Council, a tripartite body intended to serve as a facilitator of the main social partners (Unions, Employers Association and the government). The draft was additionally discussed with experts from the Faculty of Law Zagreb as well as with experts who were not part of the public administration. At the end of March 2006, the draft SARS was submitted to the World Bank for additional comments. A revised draft of the Strategy was amended in order to include proposals and recommendations received and it was subsequently sent to all central administrative bodies (line ministries and other administrative bodies) for opinion. The SARS was finally adopted at a Cabinet meeting held on 19 March 2008.

CSHRDS is the result of cooperation between the MA, the British Council and the Danish bilateral assistance under the project *"Support for development of human resources development strategy in the civil service"*. The working group which produced the Strategy included representatives of line ministries and other administrative bodies employed in human resources development. With the help and financial support of the Government of the Kingdom of Denmark, external experts were engaged in the process of preparation the Strategy development document.

The Strategy was developed under significant international support. It is clearly stated in the document itself that it "... is a result of cooperation between the Ministry of Administration, British Council and the Danish bilateral assistance project titled "Support to Development of a Civil Service Human Resources Development Strategy", and valuable proposals given by other ministries and state administrative organisations. A substantial contribution to the production ... achieved owing to the assistance provided by the Government of the Kingdom of Denmark for the purpose of developing the civil service in the Republic of Croatia." (CSHRDS, 2009: 5).

Both strategic documents that are analysed in this report were related to central level administrative bodies only and did not take into consideration local government and public services, despite the fact that there are no general strategic documents for reform of these two important remaining segments of public administration. Both documents were initially developed within the MA with the involvement of representatives of several line ministries. After completion of the first drafts, they were submitted to wider public and expert debates. After these debates the documents were submitted to the government for final adoption.

IV Content of the PAR Strategy

All PAR strategic documents that have been adopted previously and were devoted to some aspects of PAR had proclaimed strategic goals. A gradual progress could be noticed when it comes to quality of certain aspects of the adopted documents.

SARS was a 48-page-long document and contained five substantial chapters. They were: 1. State administration that we wish (vision and goals of modern administration) (pp. 4-7); 2. Main results in the reform of political system and state administration (pp. 8-20); 3. Main areas and directions of state administration reform (SAR) (pp. 21-38); 4. Implementation of strategic measures (pp. 38-47); 5. Leadership, control and evaluation of strategic measures results (p. 47). Chapter 6 contained list of abbreviations (p. 48).

The main goals of modern state administration were proclaimed in the first chapter of the SARS and were the following: 1. Increase of efficiency and economy in public administration; 2. Raising the level of quality of services of public administration; 3. Openness and accessibility of public administration; 4. Strengthening of the rule of law; 5. Strengthening of social responsibility of PA; 6. Strengthening ethics of reduction of corruption; 7. Use of ICT in PA; and 7. Entering the European Administrative Space.

Since Croatia was at the advanced stage of EU accession procedure at the time of adoption of the SARS, it contained explicit reference to the EAS and the need to make necessary adjustment in order to ensure the future functioning of Croatia's public administration in the EU.

SARS identified 5 directions/areas and defined 15 priorities in those 5 areas, with 60 activities within those 15 priorities. Directions and priorities are presented in Table 2 below.

Table 2 Directions/areas of SARS

Direction/area	Priorities (number of activities within priority)
1. Towards good governance	1. Reorganisation of administrative bodies (5) 2. Better coordination (4) 3. Openness and participation (5)
2. Better legal system	4. Strategic planning (6); 5. Programme formulation (1); 6. RIA (3); 7. Implementation (4)
3. Modern Civil Service	8. Depoliticisation and professionalisation (1); 9. Development of HRM (1); 10. Fight corruption and strengthening ethics (5); 11. Paying by results (1)
4. Training of civil servants: knowledge, skills, competences	12. In-service training (5) 13. University education for public administration (2)
5. Simplification: E-government	14. Simplification of GAPA (6) 15. Strengthening E-Government (11)

Source: SARS, 2008.

As can be seen from the analysis of the SARS, it was envisaged to deal only with the state administration, understood as public administration at central level, which was legally regulated by the State Administration Act and was, more or less, part of the MA's sphere of competences. It covered neither local-government nor public services (services of general interest). Furthermore, most of envisaged activities were under the responsibility of only one administrative authority (Central State Office for Administration, which became MA). Out of the 60 activities envisaged in the SARS, 23 (38%) were the sole responsibility of MA, 16 (27%) were the responsibility of all administrative bodies at central level, while 11 (18%) activities had implementation responsibilities that were shared among two or more administrative authorities. Remaining activities were the responsibility of a single administrative body.

CSHRMS was written on 26 pages and contained six chapters: 1. Introduction; 2. Civil Service Human Resource Development; 3. Values, Vision and Mission; 4. Objectives of the Strategy; 5. Implementation and 6. Implementation Monitoring and Evaluation Indicators. The Strategy proclaimed and briefly explained basic civil service values such as Professionalism, Accountability, Ethics, Impartiality and Efficiency. It was adopted as the result of an effort to strengthen European standards in civil service system in Croatia. In that sense "for the Republic of Croatia's accession to the European Union, there is a prerequisite for the civil service to accept common European standards on transparency, effectiveness, accountability and coherence." (CSHRDS, 2009: 4).

As shown in Table 3 below, CSHRDS had clear vision, mission and five general objectives of civil service development. Every general objective had several specific objectives connected to it, which brought the number of specific objectives of the CSHRDS up to 30. The Strategy was intended for one segment of public administration, civil service development at national level (state administration). It did not cover civil servants employed in local government and public services.

Table 3 Vision, Mission and Objectives of CSHRDS

Vision	Professional, accountable, flexible and transparent civil service, user-oriented through its quality services and founded upon professional values.
Mission	Creating conditions conducive to attracting, motivating and retaining good quality civil servants and continuous development of their competencies.
Objectives	1. Improve managers' development system (with 5 specific objectives); 2. Conduct ongoing civil servants' training (with 7 specific objectives); 3. Improve recruitment system (with 6 specific objectives); 4. Improve the career development and good quality civil servants' retention system (with 5 specific objectives); 5. Improve organisational development (with 7 specific objectives).

Source: CSHRDS, 2009

In comparison with the previous strategic document (e.g. SARS), this document was much clearer and shorter. Besides chapters on vision, mission and objectives, it contained a very important section on implementation indicators, which allowed for continuous supervision of the implementation progress. Indicators were developed at the level of each strategic objective and accordingly, the CSHRDS had 55 indicators.

After adoption of the CSHRDS, the Action plan (CSHRDS-AP) for its implementation was also adopted. CSHRDS-AP was drafted on 28 pages and besides objectives, specific objectives and indicators, it also contained a) activities that should have been undertaken, b) indicators, c) deadlines for implementation (beginning and the ending period), d) responsible bodies, and e) financial sources for implementation of every envisaged activity.

CSHRDS could be considered as a strategic document that was developed according the advanced strategic planning approach in comparison with the SARS, because it contained implementation indicators and its adoption was followed by the approval of an Action plan for its implementation.

V Implementation arrangements

When it comes to implementation arrangements, it has to be noted that SARS lacks solid content in this regard. Chapter 4 of SARS which was devoted to the implementation of strategic measures containing general principles for implementation. These principles provide are more general analysis of conditions in state administration and do not constitute clear guidelines for implementation. Deadlines have been established, but indicators for monitoring the implementation progress do not appear in the whole document. This could be considered as the major shortcoming of the SARS.

Although the SARS contained five strategic directions, 15 priorities and 60 activities, the chapter devoted to leadership, control and evaluation (Chapter 5) is very short and comprises of only half of one page in the whole document. It only stated that the overall responsibility for the Strategy implementation resides on the Government and that all administrative authorities have responsibility to implement measures from its sphere of competences.

Regarding the monitoring arrangements the SARS envisaged several institutions. The SARS established the overall responsibility of Government for implementation. Also, the National Council for Evaluation of State Administration Modernisation was been established, which had the following six tasks:

1. Control of implementation of SARS 2008-2011
2. Ensure political and professional (expert) support to reform process
3. Monitor political and professional (expert) aspects of SARS
4. General political and professional evaluation of the reform results and recommendation for Government, MA and line ministries
5. Yearly recommendations to Government based on evaluation of reform results
6. Revision of SARS and formulation of amendments after two years of implementation.

The Council had 13 members: the President of the Croatian Parliament was president of the Council, the Croatian Parliament (1), the Government (5), Civil society (1), Unions (1), public administration experts (3) and the National competitiveness council (1). Due to structure of the Council, which was very diverse, it met very rarely and was not able to perform its tasks, especially tasks which were more practical and connected with daily implementation and evaluation of the reform results.

In October 2012 the MA has submitted to the Government a very detailed report on the implementation of the SARS. The report contained a tabular overview of all 63 activities with an outline of the responsible authorities, deadlines planned for the implementation and the comment on implementation status. According to the data presented in the report, a majority of the envisaged activities have been realised or partly realised already (40 activities realised, which represents 64%; 3 activities (5%) partly realised), 21% of the activities (13 activities) were still at the process of implementation, while 11% (7 activities) of all activities had not been realised (Report, 2012). Most of the activities which have still not been realised should be considered in the new PAR strategy which is being prepared by the MA. The overall focus of the final report was on the results achieved as opposed to the undertaken activities.

It is not completely clear whether proper and thorough evaluation of the SARS has been conducted or whether the evaluation results have been used for planning purposes. Meanwhile, there has been a change in government and the new political orientation took place, so the SARS is not being implemented.

The CSHRDS also envisaged a monitoring and reporting mechanism which was more in line with general, everyday work of administration. The overall responsibility for implementation lies with the government. The MA had a central role in the process and was reporting to the Government on a yearly basis, while other line ministries had an obligation to report to the MA.

The reporting process has been done on a yearly basis with the overall report on the CSHRDS prepared for the Government by the MA in May 2014 (Report, 2014). It cannot be clearly seen from the implementation report how the envisaged indicators have been used in the implementation and evaluation stage. Some activities have been implemented, others only partly implemented, and some not implemented at all. Since the comments section of the tabular overview of the realised activities contains explanations of the status of particular activity, it is not easy to express numerically the level of realisation of the CSHRDS. It could be concluded that – despite the fact that the CSHRDS contains indicators that should help to monitor the implementation progress – the indicators have not been used properly to track the implementation process. The focus of the implementation report of CSHRDS was more on the activities which have been undertaken, rather than on the achieved results. The undertaken activities and achieved results could be much more clearly connected to the previously established implementation indicators.

Both strategic documents analysed in this report envisaged reporting mechanisms. But it is not clear what the impact of those adopted reports is. They have not been discussed with line ministries or the expert community in order to address the main implementation obstacles and shortcomings.

VI Future plans

Currently Croatia is going through the process of the preparation of new PAR strategy. It is, however, in an early stage of development and it is not yet available to the general and professional public for insight, comments and contributions. It has been drafted by the MA.

The new strategy is the result of joint work of both the political level and civil servants as well as practitioners and academics. The drafting of the new strategy was more or less the same as with the previous similar documents (e.g. SARS and CSHRDS). It was mostly result of desk work and using numerous sources, reports and recommendations of national and external public administration reform consultants dealing with the public administration system in Croatia. The first draft of the new strategy has already been sent for the opinion to the European Commission and SIGMA, and to all line ministries as well as to some civil society associations and public institutes that were engaged in the analysis of public administration. Opinions and comments received so far have already been incorporated into the second draft. In creating the document, the Ministry sought the opinion and expertise of several public administration experts. Contacts of the MA with the representatives of various civil society organisations currently only have an informal character. A public consultation on the new Strategy is expected in October 2014.

VII Conclusions and recommendations

A policy and institutional system of strategic approach towards PAR gradually developed in Croatia since its independence. There were several strategic documents dealing with different aspects of public administration such as general PAR strategy (adopted for 2008-2011), as well as strategic documents dealing with only some aspects of public administration modernisation, such as the Civil Service Human Resources Development Strategy (adopted for 2010-2013).

While the earlier generation of PAR strategies were lists of "wishes" without indicators and clear responsibilities for implementation or tracking of the results of implementation, the newest documents (e.g. CSHRDS) are more solid policy documents with a much clearer structure, concrete indicators and allow for the sharing of responsibilities between main actors. However, there is still much room for improvement, especially with regards to the leadership of the reform process and communication with the main actors and general public following the results of implementation. The leadership style is still predominantly based on the adoption of legal rules instead of using modern public management instruments, soft law and other public management techniques. This is the reason why sometimes implementation faces major challenges and progress cannot be adequately monitored and evaluated.

Sometimes, strategic documents are not inter-linked. E.g. SARS, which was adopted in 2008 does not contain any particular reference to SDF which was adopted before and was intended to serve as the main strategic document of the country for a seven year period.

Despite the aforementioned observation, it can be clearly noticed that the process evolved, an important factor being the EU accession process, which introduced reforms in many administrative areas as a part of the alignment with the EU *acquis*.

PAR Strategy was never recognised as an important policy area and was placed rather low on the agenda in the administrative system. It seems that MA does not enough have political strength to push the reform process forward. As already shown in the previous parts of the report, the main public administration reform documents were mostly developed as a predominantly internal exercise of the Ministry and do not reflect wider political agenda to reform public administration. Proper structures that would have enabled

monitoring and evaluation of the adopted documents have not yet been firmly established, leaving the whole implementation process ill-monitored and evaluated.

The way forward in the reform process would be to set the PAR process as one of the political priorities and to give it clear political support, probably akin to what was done around the EU accession process. This would create preconditions to develop a strategic approach and implement reforms in whole public administration system.

A necessary step would be to generally regulate (or just provide clear policy guidelines) the methodology of development and implementation of strategic documents such as reform strategies. It should be clear what these documents need to have in order to be implemented and evaluated. Generally, in dominant legal culture in public administration, the reform process is often restricted to amendments of existing laws of drafting the new legal acts. Implementation, monitoring and evaluation are those parts of policy process that have to be strengthened in order to see the real effects of adopted laws and strategies. Also, evaluation of previous experiences should be used in the process of drafting new strategic documents as form of institutional learning and strengthening of institutional memory.

Coordination among various administrative bodies as well as with external experts (academia, civil society, consultants, etc.) should be strengthened and at the same time more transparent. A necessary success criterion is having clear ownership and leadership of the reform process.

Table 4 Recommendations

No.	Recommendation	Timeframe	Responsible institution
Development of the PAR strategy			
1.	Development of methodological guidelines for strategic planning in public administration	2015 and continuously monitoring its implementation	Ministry of Administration in coordination with other line ministries
2.	Analyse the impact of SARS and CSHRDS in order to	2014-2015	Ministry of Administration
Institutional set-up			
1.	Establish structure for PAR (similar to the institutional structure established for the EU accession)	2015 onwards	Government Preparation by the Ministry of Administration
2.	Recognise key actors responsible for the reform in line ministries that would support the reform activities in each ministry	2015	Government Ministry of Administration Line ministries
Contents of the PAR strategy			
1.	Defining clear indicators that would enable implementation	In the new PAR Strategy and Action Plan for the duration of the Strategy	Ministry of Administration
2.	Establish clear link between implementation indicators and envisaged results	2015	Ministry of Administration
Implementation arrangements			
1.	Yearly Action Plan with clear activities that have t be implemented in particular year	On yearly basis after adoption of new PAR Strategy	Government Preparation by the Ministry of Administration with other ministries
2.	Establish Council for PAR	Long term	Government Preparation by Ministry of Administration
Monitoring arrangements			
1.	Continuously monitor PAR activities and use the knowledge for preparing a new strategy	In the process of implementation of PAR strategy	All ministries under the leadership of Ministry of Administration
2.	Regular (yearly) reporting to the Government on the reform progress	Each year	All line ministries under the coordination of the Ministry of Administration
3.	Discuss implementation results (as well as obstacles and shortcomings) with line ministries and professional community and civil society organisations	In the process of preparation of new PAR strategy and on a yearly basis (connection with the yearly Action plan)	Ministry of Administration

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Kosovo Case

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Background

The public administration in Kosovo was built after 1999 from scratch. The state administration in Kosovo has a specific history derived from the establishment of the UNMIK administrative structures; provisional government and gradual transfer of responsibilities to the Kosovo newly independent institutions which lasted for about a decade. The UN mission in Kosovo composed of several international organisations and experts with various backgrounds and experiences which significantly influenced the way the Kosovo administration organised and functioned. The administrative development involved two parallel processes. Firstly, the gradual establishment of institutions either from scratch or through transfers of competences from UNMIK, and secondly, the need for reform of those institutions which were already functioning. Therefore, the development process of public administration reforms in Kosovo can be divided into two finished phases, while the third phase is just about to start.

- **First Phase** - *Strategy Development Process* - Public Administration reform (PAR) as part of a strategic framework began in 2006 with the first Public Administration Reform Strategy 2007-2013 and its implementation Plan which was prepared and adopted simultaneously.

The PAR Strategy 2007-2013 was a comprehensive policy document that covered eight broad areas of public administration such as: human resources, institutional structure, management issues of public administration, communication with citizens, e-government, financing in public administration, anti-corruption and the quality of policies and legislation. Its implementation plan also followed the structure of the strategy and listed concrete actions, their deadlines, responsible institutions and the possible fiscal impacts of actions.

Implementation and Coordination Structures - Both documents were prepared by a Group of Experts for Public Administration Reform (GERAP), which consisted of government officials lead by civil society and business organisations representatives and was assisted by the donor community. Prior to preparing the Strategy, GERAP developed a situation analysis on the public administration field, which was approved by the government.

The Action Plan of PAR was managed by coordination and monitoring of implementation structures which were established in June 2007. These structures consisted of an inter-ministerial Working Group for Public Administration Reform (PAR WG), which had representatives from the Ministry of Public Services (which was transformed into the Ministry of Public Administration in 2009), the European Integration Agency (later transformed in Ministry of EU Integration), the Ministry of Economy and

Finance (MEF) and the Ministry for Local Governance (MLGA). Besides the PAR WG, six technical sub-working groups were established to ensure the management, coordination and progress reporting process of the PARAP. The tasks of these sub-working groups were to coordinate the implementation of the activities foreseen in the PARAP; discuss the implementation issues and regularly report to the PAR WG on the progress achieved; identify and propose necessary measures for PARAP implementation; ensure the involvement of all relevant institutions, as well as to inform and instruct them on measures to be taken for implementing the duties coming from PARAP.

- **Second phase** - *Strategy Development Process* - The PAR Strategy and Action Plan (Action 2.1) required for a *functional review of institutions in central level.* The functional review process, which took place between 2008-2010, marked the beginning of the second and a comprehensive phase in the PAR process in Kosovo, while the implementation of the existing PAR strategy was still continuing. This exercise was considered the broadest exercise of functional reviews in the region. The process was supported by DFID and implemented by a team composed of international and local PAR experts. The process included fourteen (14) horizontal functions (such as human resource management, policy making process, legal drafting system, public finance management, etc.) and the vertical reviews of almost all ministries and few agencies. The process was overseen by the PAR Commission at a ministerial level and chaired by the Deputy Prime Minister. The process produced findings and recommendations, which laid down the foundations for the new PAR strategic framework in Kosovo.

The second Strategy on the PAR 2010-2013 was approved by the Kosovo Government in September 2010[1], whereas its implementation Plan 2012-2014 was approved in May 2012[2]. The scope of the second PAR Strategy is very broad compared to the previous one. It covers twelve areas of public administration, each formulated by one main objective and followed by a number of sub-objectives.

Implementation and Coordination Structures - The main, permanent coordination structure for the first PAR Strategy was the PAR unit under the Department for the Civil Service Administration within the Ministry of Public Services (now MPA). This unit was upgraded to ždepartment' level, whereas the Ministry of Public Services was transformed into the Ministry of Public Administration and was given a clearer mandate on PAR management and

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1 Government Decision no 07/145 on approval of the Strategy on Public Administration Reform.
2 Government Decision No. 02/75 of 23 May 2012 on approval of the Action Plan for Implementation of the Public Administration Reform Strategy.

coordination in the government.

The new management and coordination structure for the PAR was established by a government decision adopted in July 2012 (decision of July 2012 (no. 05/82) for organising of the structures for implementation of the Action Plan for PAR). This decision set up the composition of the PA working group as a central administrative co-ordination body, including the general secretaries of OPM, MoF and MPA, and representatives of the Ministry of European Integration and the Ministry of Government of Local Administration.

- **Third phase** – The Second PAR Strategy ceased to exist in 2013 and the PAR implementation plan expired in 2014. A PAR Roadmap for 2014 was approved by the government at the beginning of 2014 and is currently still applicable. This document serves as a priority-setting framework for PAR for 2014 and a transitional mechanism between the last PAR Strategy and the future developments in this area. In June 2014 MPA has launched the process to draft the new PAR strategy that is expected to be completed by the end of 2014.

I PAR Strategy Environment

PAR has continuously been part of the government priority setting and policy planning documents in Kosovo. The PAR Strategies are used as major tools in order to achieve a better governance and more qualitative service delivery system in Kosovo[3]. The PAR priorities have been incorporated in the following recent strategic documents: Medium-term Policy Priorities 2014-2016, Strategy on Public Administration Reform (2010-2013); Action Plan for the Implementation of Public Administration Reform 2012-2014 (PARAP); Action Plan on Negotiation of the Stabilisation and Association Agreement; Programme of the Government 2011-2014 (PG); and Annual Work Plan of the Government of Kosovo for 2012, 2013, and 2014.

The Medium Term Expenditure Framework is the medium-term budgetary-planning document, aiming to connect government policy priorities with national budgetary resources. Therefore, the allocation of state budget to support the PAR reform areas has been facilitated by MTEF.

The PAR-related areas have been covered by several other sectoral and inter-sectoral government strategies. *The Anti-corruption Strategy* and its Action Plan have included the ethical and anticorruption agenda in governmental institutions. *The Plan for implementation of the Economic Vision 2011-2014* covered areas related to improvement of government policies and procedures, which will impact businesses positively. The P*ublic Expenditure Financial Assessment Action Plan* covered the areas related to the Public financial management and control; as well as other Sectoral Strategies in the process of development by line ministries and implementing agencies. A Manual for Preparation of Sector Strategies was developed by the Strategic Planning Office in 2013 and approved by the General Secretary of Government[4].

Besides the national agenda, PAR is essential to support Kosovo's progress towards European integration. The European Commission Progress Reports continuously emphasise PAR as one of the preconditions for Kosovo's European integration aspirations.

During the past two years, MPA and MoF objectives have been well coordinated and integrated into government priorities. The OPM does not plan resources separately for PAR activities and maintains very general sectors/objectives in the MTEF. In the 2013-2015 MTEF, PAR objectives

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3 There were two strategies approved by the government on the PAR in Kosovo since 2007.
4 Manual for Preparation of Sectoral Strategies (original name in Albanian: Doracaku per per-gaditjen e Strategjive Sectorale), Office of the Prime Minister Office of Strategic Planning, (June 2013), available at: www.kryeministri-ks.org/repository/docs/Doracaku_per_pergaditjen_e_strategjive_sektorale_Final_Qershor_2013.pdf.

are clearly expressed for the MPA and MoF and are linked with financial resources which demonstrates an improved planning capacity and provides a solid basis for tackling the remaining incoherencies in planning PAR financial resources[5]. Notwithstanding, the budgetary projections according to the MTEF compared with the annual budgetary plan vary considerably in terms of priority[6]. Also, the MTEF does not cover all budget sources coming from donors which fund several projects that implement PAR activities in Kosovo. Therefore, ensuring further quality, coherence and alignment of the PAR strategy with other planning documents remains a challenge and requires the strengthening of cooperation between primary implementing institutions and an increase in the coordination capacities at the central level of the government.

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5 SIGMA Kosovo Assessment 2013, p. 37.
6 An example is the budget allocation in 2013 to implement the new pay and grading system. The system was not ready and therefore the allocation was transferred to the 2014 budget. However, the budget was spent to implement the government Decision of March 2014 to increase salaries of all public employees by 25%.

II Methodology for PAR Strategy Development

Functional Reviews Methodology & Process

The preparation of PAR Strategy 2010-2013 was preceded by a specific, comprehensive and lengthy process of horizontal and functional reviews. Functional reviews methodology was developed by the team of the Functional Reviews project and approved by the PAR Commission. This comprehensive and inclusive approach in PAR reforms was required by the newly established government in 2008, after Kosovo declared its independence. The new government, understanding this situation, embraced the pre-planned initiative and the requirement to conduct a functional review of the key governmental structures and processes. The initiative was supported by the UK Department for International Development (DFID).

The Functional Reviews project team comprised of both International and Kosovo experts endorsed by the Kosovo Government. In order to support and oversee this important process, the Government established institutional structures at both political and administrative level.

The PAR inter-ministerial Commission was established at the political level of the government[7]. At the ministry level, the Prime Minister mandated the establishment of Review and Planning Teams composed of senior ministry officials.

Throughout the review process, fourteen horizontal governmental functions were completed, as outlined in the table below:

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7 Government Decision no. 04/22 (20 May 2008).

1.   Human Resource management
2.   Policy Coordination System
3.   Public Communication system
4.   European Integration Management System
5.   Donor Coordination system
6.   Legislative Drafting System
7.   Anti-corruption System
8.   Public Finance Management
9.   Audit and Control
10. Public Procurement
11. Diversity and Human Rights System
12. Administrative Procedure making
13. E-government
14. PAR management review.

Also, all ministries and few executive agencies as required by the government subjected to the review.

The FRIDOM implementation team created the management and coordination team. One international and one Kosovo expert per each specific function conducted reviews. These were based on a specific methodology designed by the project implementation team. The information was gathered through deskwork, formulation of questionnaires, interviews and meetings conducted with stakeholders. The team developed questionnaires for each review which, after endorsement by review teams, were distributed to the main stakeholders. Also, structured and semi-structured interviews were held with all key stakeholders during the reviews process.

In addition, the review team analysed and compared public administrations of 7 EU member states[8]. Countries were chosen as comparative examples to Kosovo due to their similarities in terms of population size, geographical size and best practices of administrative work.

The findings and recommendations of each review, provided in a separate report, were presented and discussed with the ministerial review teams, distributed to stakeholders and finally presented and approved by the PAR Commission.

In addition to horizontal and vertical reviews, the project implementation team drafted a Whole-of-Government Review report at the beginning of the process, as well as another similar report after the review process was completed.

The functional review process resulted in the following strategic framework developments:

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8 The countries selected were Slovakia, Lithuania, Slovenia, Latvia, Estonia, Finland and Ireland.

- The horizontal reviews process resulted in the development of the PAR Strategy 2010-2013.
- The vertical reviews process of ministries and agencies resulted in strategic development plans for each reviewed institution. These plans aimed to implement the recommendations of the Functional Reviews Project on the internal organisation and capacity building of each ministry and reviewed executive agency.

III Strategy Development Methodology

The adoption of the PAR Strategy in 2007 enabled substantial changes in terms of the functioning of public administration. Furthermore, many new ministries and other public institutions were established. The Government of Kosovo obtained full competence to make and execute its decisions. The PAR agenda remained a priority enshrined in most planning documents. Also, the EC – through progress reports and other mechanisms – consistently expressed the need to substantially advance PAR. The implementation rate varies from area to area depending on its political complexity and capacity of the implementing institutions, while the overall implementation rate varies at around 30% from that which was initially planned[9]. That is probably due to: the strategy being over-ambitious in some areas; some measures being premature; weak administrative and coordination capacities; and the fact that the government at that time was more focused on completion of the functional reviews process.

The PAR strategy of 2010-2013, which was a reflection of findings and recommendations of the Functional Review process, was developed by a team of government representatives under the coordination of the Department of PAR in the MPA. It drafted the initial version of the PAR strategy. The draft was consulted with all the involved institutions responsible for implementation through joint or bilateral meetings. A formal decision on the working group for development of the PAR strategy was not made, and no formal specific methodology was followed. Formal government guidelines were not developed at any stage of the PAR Strategy development. It is worth stressing that the Strategic Planning Office at the OPM (established in 2010) developed such formal guidelines. These were approved by the government in the form of an Administrative Instruction in 2012, and are currently applicable[10]. At the political level, the development of PAR Strategy was overseen by the PAR Commission, which endorsed the draft PAR Strategy and recommended government approval.

A formal working group chaired by the General Secretary of MPA composed of Representatives of OPM, MPA, MEI at the political and administrative levels, developed the Action Plan 2012-2014 for the implementation of the PAR strategy. Several meetings and workshops of the working group were

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9 This estimation of implementation is based on an internal assessment that was conducted by the MPA in 2009.

10 Administrative instruction 02/2012 on the Criteria, Methodologies and Procedures on preparation of strategic documents and their implementation plans.

held during 2010-2012. Almost two years after the adoption of the strategy, the Action Plan for Implementation of the PAR Strategy 2012-2014 (PARAP) was approved in May 2012. This was a weak point that delayed launching the reporting process. The PARAP targets 12 strategic objectives defined under the strategy and serves as a good operational tool for guiding PAR implementation. A decision concerning the organisation and management of structures for the implementation of PAR was also adopted in July 2012.

As outlined above, bearing in mind that the functional reviews were employed in a wide number of sectors and institutions (e.g. 14 horizontal functions and more than 16 institutions), the approach of their implementation through a strategic framework was to develop two levels of strategic documents. In reality, this resulted in a complex system of PAR strategic planning. On one hand, part of the volume of recommendations to be implemented, a number of strategic documents were directly derived from this process. On the other hand, there were a number of other strategies and plans with different management and monitoring mechanisms (see Section II above), although these implementation and management capacities were weak.

The second level of strategic planning of PAR is the drafting and adoption of Strategic Development Plans of Ministries and Agencies that were reviewed under the Functional Reviews process. The MPA was responsible for planning and monitoring the general strategy for PAR, while ministries or other institutions were responsible for planning and monitoring the strategic development plans (SDPs). SDPs were developed based on the functional reviews' recommendations and followed a format developed by the MPA, along with external experts' support. Each plan followed the same procedure: they were first endorsed by the PAR commission and then approved by the government.

IV Responsibility for Development of PAR Strategy and Key Players

The Ministry of Public Services (now Ministry of Public Administration) took over the responsibility for PARs in 2006 despite the fact that the part of its mandate which related to PAR agenda was not clear enough. The MPS established a Group of Experts for the Public Administration Reform (GERAP) that was responsible to draft the Assessment report and draft the PAR Strategy and Action Plan 2007-2013. GERAP, chaired by a civil society representative, had a composition consisting of civil society representatives, business representatives and government officials from political and administrative levels.

After the PAR strategy and its Action Plan were approved by the Kosovo Government in February 2007, the government approved monitoring and coordination structures. The representatives of government at administrative levels constituted the working group. Sub-working groups were established based on the reform areas.

A group similar to the GERAP monitored the PAR implementation process. The Government took the decision to establish the working group and sub-working groups together with their Term of References. The Group was chaired by the Permanent Secretary (now General Secretary) of the MPS and was composed of the directors of the departments of institutions responsible for the implementation of the PAR[11]. Compared to GERAP, which was responsible for drafting the PAR Strategy and Action Plan, the PAR Working Group (PAR WG) monitored and coordinated their implementation. In GERAP, the civil society representatives were involved to work directly on diagnostic analysis for public administration and draft PAR Strategy and Action Plan, while their role in the PAR WG was to advise and oversee the implementation of PAR. Also the composition of the PAR WG compared to GERAP was extended by representatives of all implementing institutions of PAR, such as OPM, MoF Agency of European Integration (now Ministry of European Integration), etc.

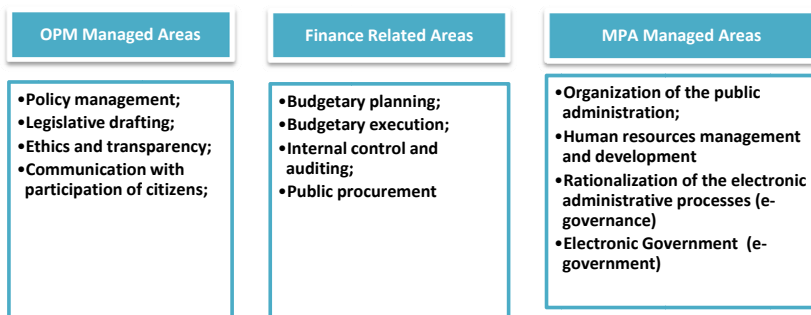11 Based on ToRs the PAR working group was chaired by the MPS Permanent Secretary and composed of the Director of the DCSA/MPS, representative of Agency of European Integration/OPM, Representative of the Ministry of Economy and Finance, Representative of the Ministry of Local Government Administration (level of directors), Sub-working Groups Coordinators, and other institutions as required by the agenda of meetings.

The working group also served to link the PAR agenda with EU integration priorities and was one of the groups responsible for the implementation of the European Partnership Action Plan.

Drafting the PAR Strategy and Action Plan as well as establishing the management and monitoring structures was supported by a team of external local and international experts financed by DFID.

After 2008 the Kosovo government enhanced its involvement in the PAR process, whereas other stakeholders such as business organisations and civil service became less involved, or not involved at all, in the reform processes. The MPS was transformed into Ministry of Public Administration in 2009 with a clear mandate related to the management of reforms across the government[12]. The PAR division established in 2007 within the Department of Civil Service Administration was upgraded to 'Department' status and the number of staff was increased in 2009.

In 2008, the Government established the PAR Commission to manage the PAR process at the political level. The Commission consisted of representation from the Office of Prime Minister (Deputy Prime Minister as chair), Ministry of Finance, Ministry of Justice and Ministry of Public Services (later transformed into Ministry of Public Administration). The PAR Commission provided political oversight and was a mechanism for strategic decision-making and dispute resolution. Its mandate was to provide inputs on strategic policy co-ordination, resource allocation, adjustments in the legal framework to underpin the Functional Reviews (FRIDOM) project and ensure linkages with implementation of the Kosovo PAR Strategy. The PAR

OPM Managed Areas	Finance Related Areas	MPA Managed Areas
• Policy management; • Legislative drafting; • Ethics and transparency; • Communication with participation of citizens;	• Budgetary planning; • Budgetary execution; • Internal control and auditing; • Public procurement	• Organization of the public administration; • Human resources management and development • Rationalization of the electronic administrative processes (e-governance) • Electronic Government (e-government)

Commission oversaw the drafting of the PAR strategy and its Action Plan based on recommendations from the functional reviews.

12 Administrative Instruction no. MAP 05/2009 on the Administrative Structure of the Ministry of Public Administration.

At the ministry level, the Prime Minister mandated the establishment of Review and Planning Teams composed of senior Ministry officials. The establishment of these teams increased the commitment and ownership to PAR reform across the Public Administration. At the technical level, the development of PAR strategy was coordinated by the Department for Coordination of Public Administration Reform at the Ministry of Public Administration which consulted with implementing institutions.

While the working group for drafting the PAR Action Plan was established by a formal decision, there was no formal working group established for the strategy development process.

V Content of the PAR Strategy

Bearing in mind the relevance of the latest PAR strategy, in this chapter the content and scope of the PAR strategy 2010-2013 will be analysed.

The PAR strategy 2010-2013 had the following vision: "*an effective, efficient and European public administration*". The vision of public administration reform was guided by the following three aspirational principles:

1. Effective in the delivery of administrative services
2. Efficient from a costs perspective
3. European in its organisation and working methods[13].

The scope of PAR Strategy was considered very broad and ambitious and its time frame was only three years (2010-2013). It covered 12 broad areas, much broader compared to the previous strategy which had included 8. Each area had 1 objective. The strategic objectives were broken down into 39 sub-objectives.

Three key institutions which managed the PAR areas were: OPM managed areas (policy coordination, legal drafting, communication and ethics and anti-corruption and ethical issues in the civil service); finance-related areas (budget planning, budget execution, audit and control, and procurement); and most of the activities (almost 50%) belonged to Ministry of Public Administration managed areas (human resource management, organisation of public administration, e-governance and administrative modernisation areas).

Areas that are covered by the PAR Strategy. Source: Public Adminsitration Reform Strategy 2010-2013.

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13 Public Administration Reform Strategy 2010-2013 approved by Government decision no. 07/145, date 15.09.2010, page 6.

The Strategy only covered government portfolios and executive agencies at the central level of government. In some cases regulatory agencies accountable to the Parliament were covered too. This included some areas that were mostly interconnected with government responsibilities, such as: public procurement regulatory reforms managed by the Public Procurement Regulatory Body and anti-corruption and ethical areas such as prevention of the conflict of interest, declaration of assets, etc. covered by the Anti-corruption Agency. Both institutions are accountable and report directly to Parliament. There is evidence that PAR influenced the local level, but only indirectly, because the reform was only targeted at the central level of administration only. Four objectives of the strategy were related to public finance management and control. Thus, the PAR strategy covered responsibilities directly related to the government portfolios as well as areas related to independent agencies, including the general auditor responsibility.

When it comes to the quality of the content, objectives and goals of the strategy are very broadly formulated. Sub-objectives and measures included in the Action Plan have, to some extent, put in place specific actions which should be addressed during the implementation of the strategy.

The main gap of the last strategy and Action Plan was the lack of focus on the priority measures on which the reform would be focused. The lack of prioritisation decreased the level of impact that the reforms were expected to have.

Looking at the Action Plan, the main focus has been placed on improving the legislative and organisational framework of public administration, and less on the tangible quality of service delivery to citizens. This is reasonable, considering that the legislation and structures are preconditions to better services to citizens and the first basic steps for reforms. However, they have not been enough to complete substantial reforms. The Action Plan also contains success indicators. On one hand, if one is to look at the quality of the indicators, in most cases they are as generalised as objectives[14]. For example, often approval of planning documents and legislation is foreseen as an indicator, but not the level of their implementation. Implementation of actions only goes half-way to achieving the aims of the strategy.

On the other side, the wide scope of the Strategy did not cover some essential issues that were on government priority agenda. Simplification of administrative burdens for business development was covered by the Action Plan for the Economic Vision of Kosovo 2011-2014 approved in July 2011, and is being conducted by several ministries (OPM, Ministry of Trade and Industry, Ministry of Finance and Ministry of Justice). These reforms had an impact on the improvement of administrative services to business and significantly improved Kosovo's rank in the

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14 This is also a conclusion of the Comprehensive Report on the Implementation of the Public Administration Reform Strategy, (2010-2013), approved by the Kosovo Government in July 2014, p. 12.

Word Bank Annual report on "Doing Business". But these reforms have not been undertaken under the PAR Strategic Framework and the MPA was not involved in this process. If communicated properly, they could also demonstrate a positive impact of governance reforms[15].

Despite all this, the PAR agenda may be considered as having been harmonised with other horizontal planning documents such as: the annual work plan of the government and the plans on implementation of European integration criteria (the plan on implementation of feasibility study and the plan on negotiation of SAA).

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15 OECD/SIGMA Assessment on Kosovo, (2013), p. 31.

VI Implementation arrangements

The management, coordination and oversight on the implementation of the PAR Strategy have been exercised by an inter-ministerial mechanism composed of the political and administrative representatives.

Inter-ministerial PAR Commission - PAR Commission provided political oversight, and a mechanism for strategic decision-making and dispute resolution with individual Ministries. The Commission is comprised of representation from the Office of Prime Minister (Deputy Prime Minister as chair), the Ministry of Finance, the Ministry of Justice and the Ministry of Public Services (latter transformed into Ministry of Public Administration); to provide inputs on strategic policy co-ordination, resource allocation and adjustments in the legal framework to underpin the Functional Reviews (FRIDOM) project and ensure linkages with the implementation of the Kosovo PAR Strategy.

Later in 2012, another decision has renewed the inter-ministerial PAR Commission mandate and stressed its responsibility to oversee the PAR implementation process and meet on a quarterly basis. Since the establishment of the PAR Commission, the Deputy Prime Minister was the chair and only since 2013 has the chair position been transferred to the Minister of MPA. It is not clear if this adjustment was a sign that PAR as a priority had been lowered, or if it was done for practical administrative reasons because the Commission could not meet for a long time due to the DPM's overloaded agenda. Nevertheless, the PAR agenda continued to be and still is a high priority of the government, despite the fact that the level of implementation has not been satisfactory.

Ministry of Public Administration - **The Department for Monitoring and Coordination of the Reform (DMRAP) –** The MPA is responsible "to identify the priorities, propose and coordinate the process of public administration reform"[16] through the Department of Management of Public Administration Reform[17], which is a permanent structure with the responsibility of managing and coordinating the reform across the whole government and other state institutions. The coordination by the DMRAP is exercised through working groups, sub-groups and the PAR Inter-ministerial

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16 Regulation No. 02/2011 on the Area of Administrative Responsibility of the Office of the Prime Minister and Ministries Annex 11, para. (ii).
17 Article 11, Regulation no. 41/2013 on the Internal Organization and Systematization of Jobs in the Ministry of Public Administration.

Commission. The Department has to provide relevant expertise to the ministries responsible for the implementation of the reform. The Department currently has seven (7) staff members.

The PAR process is also a regular topic on the agenda of weekly meetings of the Board of General Secretaries and the European integration (EI) structures. In this context, there is also a PAR Special Group composed of Kosovo Government and European Commission representatives that was established to place emphasis on the priority matters of the reform and to reflect the EI requirement in the governmental reform agenda.

The PAR Working Group – the coordination of implementation of the PAR Action Plan is exercised through PAR Working Group. It is chaired by the Government General Secretary and composed of the General Secretaries of the Ministry of Finance, the Ministry of Public Administration, representatives of the Ministry of European Integration, Local Government and 12 Sub Working Group Coordinators[18.]
The Chair of the Working Group reports regularly to the Inter-ministerial Commission of PAR.

Sub-Working Groups – Twelve Sub-Working Groups, one per each specific field/objective, must report on a quarterly basis to the PAR Working Group. Sub-Working Groups are chaired by Coordinators assigned by key institutions to implement respective objectives included in the PAR strategy and Action Plan. Coordinators are also members of the main PAR Working Group.

It is worth mentioning, as seen from the composition of these groups, that the Parliament and civil society were either scarcely or not involved in drafting or implementation of the PAR Strategy.

The Annual Report is also prepared at the end of each year by the DMPAR through the aforementioned coordination and reporting mechanisms. The Department for Management of PAR started to draft regular reports as well as an annual progress report, at the end of 2013. The reporting followed a particular methodology and form which was developed by the DMPAR. The Department also developed a system to assess the progress of implementation through marks from A to D. The first assessment of the PAR implementation showed good results. This was a straightforward mathematical calculation. However, the methodology should be improved to increase the focus of assessment to the outcomes and outputs. Also there is a need to improve result indicators in the Action Plan in order to be able to measure the progress made against outcomes and impacts.

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18 Decision of the Government of Kosovo of 4 July 2012 (No. 05/82) on Organization and Functioning of Structures for the Action Plan for Public Administration Reform.

After the PAR Strategy expired in 2013, the DMPAR took the initiative to compile a comprehensive assessment report on the implementation of PAR strategy during 2010-2013. The assessment report was drafted during March-May 2014[19] and it was approved by the government in July 2014.

An International and Kosovo expert of SIGMA supported the MPA to draft the report by setting up the methodology and offering other support to the DMRAP staff. The report resulted in a number of conclusions and recommendations on which the new PAR Strategy will be built.

As described above, the PAR management and coordination mechanisms were logically designed and well positioned to monitor and drive the PAR implementation process in the Kosovo Government. From a formal perspective, the mechanisms are accurate, they meet regularly and deadlines for reporting are respected. However, the focus of the Working Group and the Sub-Working Groups was on the reporting of the activities as opposed to advocating for reforms and discussing the possible solutions to the challenges which have followed the reform process. Also, DMPAR/MPA have led the drafting of periodic reports and the annual summary report on the implementation of PARAP, based on reports provided by the Sub-Working Group coordinators. Generally, it is considered that the reports mainly contained information about work processes rather than results from the implementation of the reform. In most cases, it is very difficult to evaluate the achievement of results based on the data provided by the institutions through coordinators of the Sub Working-Groups. In most cases, it is too insufficient to assess the progress made in a given field. In addition, there are other reporting lines and mechanisms about the same policies that are incorporated into other documents. For example, PAR policies are also included in the annual work plan of the government and the Action Plan on Negotiation of the Stabilisation and Association Agreement and are reported to different mechanisms during the different timelines and formats.

All these elements combined with the lack of political will to drive certain segments of the PAR process forward have affected their effectiveness and efficiency in properly managing the monitoring, assessing and reporting the PAR progress. Therefore, there is a need for simplification and adaptation of the institutional mechanisms dealing with the implementation process and linkage with other mechanisms which serve the same purpose. However, their design and format will depend on the scope of the new PAR strategy which is being developed.

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19 Government Decision No. 17/194 of date 23.07.2014 which approved the Comprehensive Report in Implementation of the Public Administration Reform Strategy 2010-2013.

VII Future plans

The Government Work Plan for the Strategic Documents 2014 foresees the adoption of the new PAR strategy 2015-2020. Furthermore, the need to continue and advance the PAR reform agenda in the Kosovo Government has been stressed in several internal and international documents for Kosovo. Significant progress has been made by the government on implementation of the PAR strategy, particularly in completing the legislative framework that is considered to be largely in line with EU best practices as well as completing the institutional framework. However, more progress is required on the implementation of legislation, better service delivery to businesses and citizens, and improvement of the quality of these services. Building administrative capacities to cope with extended EI agenda – particularly capacities to further align legislation with the *acquis communautaire* and most importantly administrative capacities to implement the *acquis communautaire* as a requirement for progress towards the EI process of Kosovo - knowing that Kosovo is now part of formal EI mechanisms[20], is crucial. In light of this, the emphasis on PAR is inevitable through a new strategic framework that currently is in the initial development phase in the MPA.

The PAR Strategy, as with all government strategies, needs to follow a certain procedure, methodology and format as stipulated by the government Administrative Instruction 02/2012.

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20 In May 2014, Kosovo concluded negotiations between EU and Kosovo for the Stabilization and Association Agreement.

SUMMARY ON DRAFTING OF STRATEGIC DOCUMENTS

PROCEDURE

INITIAL STEP:
- Responsible ministries submit their proposals for the strategy documents which they intend to draft during the next calendar year at the Strategic Planning Office in the OPM, which, based on the proposals, prepare and submit the annual plan for strategic documents to the Government.

DRAFTING PROCEDURE:
- General Secretary of the responsible ministry shall appoint the team leader and the team for preparation of the Strategy.
- The Decision on the composition of the team must include: The Department of European Integration and Policy Coordination of the ministry; The Budget Department of the Ministry; other units of the Ministry if the concerned strategy document is within their scope of responsibilities; The Office of Strategic Planning in the Office of the Prime Minister; The Ministry of Finance; The Ministry of European Integration; other ministries if the issue is related to two or more ministries; and External advisers and experts and representatives of stakeholders as are needed.
- The drafting process of the strategy includes: collection of information, analysis and identification of problems/issues, formulation of objectives, formulation of options, assessment of options, consultation and drafting.
- Finalised draft will be distributed to all ministries relating to the strategy, the Ministry of Finance (to issue a financial declaration) and the Ministry of European Integration.

Final review
- After receiving comments from stakeholders, the General Secretary of the responsible ministry sends the draft to the Strategic Planing Office/OPM within 15 days which issues a declaration. With its consent, the relevant Ministry submits it to the goverment for Approval.

CONTENT AND STRUCTURE:

Structure of the Strategy:
- Executive Summary
- Introduction
- Methodology
- Background
- Vision/Mision
- Strategic objectives
- Alternatives considered
- Proposed approach and the way forward
- Annexes

The Form of Action Plan:
- Objectives formulated in the strategy
- Actions
- Specfic indicators
- Implementation period
- Financial cost
- Source of Budget

Administrative Instruction No. 02/2012 On Procedures, Criteria and Methodology for the Preparation of Strategic Documents and Implementation Plans http://www.kryeministri-ks.net/?page=1,194

In addition, a prioritisation tool as an instrument of the new methodology and process has already been launched and discussed with the main government stakeholders and international donors in late June 2014. This new methodology has been prepared by the DMPAR with the support of two SIGMA experts and will serve as the basis for orientation of future scope of reforms and formulation of policy objectives. The future reform agenda and the prioritisation process are largely based on the latest assessment report that is currently being finalised by the MPA and developed with support of SIGMA experts.

VIII Conclusions and recommendations

no.	Recommendation	Timeframe	Responsible institution
Development of the PAR strategy			
Kosovo has well-advanced processes and mechanisms to develop strategic documents including the PAR Strategy. The past experience with two PAR strategies will serve as a lesson to improve the quality of needed reforms from a medium-term perspective. Improving the quality of the PAR strategy development process and its content has also been stressed by the OECD/SIGMA Assessment on Kosovo 2013 which states that "*the planning and sequencing of PAR reforms is over-ambitious, as it does not match the allocation of adequate operational resources, nor does it take into consideration the complexity and time needed for inter- ministerial reforms. Decisions have to be made on priorities and realistic deadlines, as well as on the reallocation of human capacities within ministries, particularly in the MPA so that it will be able to handle the workload required for such a process and steer the reforms. The quality of financial planning has improved in recent years but inconsistencies remain, hindering the coherent planning of the financing needed for PAR*".			
1.	A better harmonisation between PAR and other related strategic documents and the link of PAR reforms with the sources for implementation – either by financial, human or other means – is a must. This needs to be done at a policy objective level, including the national medium-term planning, donor support or other forms of supporting implementation of respective reforms.	2014/on-going	MPA
Methodology for PAR Strategy development			
	Application of the provision stipulated by the Administrative Instruction No. 02/2012 On Procedures, Criteria and Methodology for the Preparation of Strategic Documents and Implementation Plans.	2014	MPA
	The OECD/SIGMA principles on PAR must be applied during the development of the new PAR Strategy.	2014	MPA
	In parallel with the development of the strategy, communication with citizens and institutions should follow not only drafting but also the implementation process of the Strategy.	2014	MPA

Responsibility for development of PAR strategy and key players

Donors were heavily involved in the drafting process of the PAR Strategy. Though this approach is positive – taking into consideration exploration and introduction of the best international and European practices – the document needs to have the full ownership and involvement of the implementing institutions and a general consensus on which reforms to implement.	2014	MPA/OPM/MoF
It is essential to involve a broader involvement of external stakeholders (civil society and business representatives) that benefit from the reform.	2014	MPA

Content of the PAR Strategy

It is a wide consensus that the last PAR strategy was too ambitious and included too wide a range of fields of Public Administration. Thus the scope of future strategy needs to focus only on the key targeted priority reforms, which the Government needs and has resources to implement in the future medium-term period. Key European Administrative Space practices should also be taken into account when priorities are selected.	2014	MPA

Implementation Arrangements

The quality of assessment depends on the quality and clarity of the planned policy objectives and reform activities. Specific and clear targets and success indicators will help institutions properly establish a monitoring process for the strategy. Using the modern ITC technology may enhance the effectiveness of the reporting and assessment of the	2014/2015	MPA/Other involved institutions
Management of the reforms and the system of monitoring of implementation was not effective enough. Therefore, there is a need for simplification and adaptation of the institutional mechanisms dealing with the implementation process and to link these with other mechanisms which serve the same purpose.	2014	Gov/MPA

References:

1) Strategy of Public Administration Reform 2010-2013
2) Action Plan for Implementation of Strategy of Public Administration Reform 2012-2014
3) Declaration of Medium Term Policy Priorities 2014-2016
4) Medium Term Priority Policies 2014-2016
5) Medium Term Expenditure Framework 2014-2016
6) Strategy of Public Administration Reform 2007-2013
7) Action Plan for Implementation of Strategy of Public Administration Reform 2007-2013
8) Comprehensive Report on the implementation of the Public Administration reform Strategy 2010-2013, July 2014
9) Report on the Status of the Public Administration in Kosovo, 2007
10) Report on implementation of the Strategy of Public Administration Reform, 2013
11) OECD/SIGMA Assessment Kosovo 2013
12) OECD/SIGMA priorities Kosovo 2013
13) EC progress Report on Kosovo 2013
14) Functional Reviews ands Institutional Design Reports (FRIDOM) 2009/2010
15) Regulation No 41/2003 on Internal Organisation and Systematisation of Job Description for the Ministry of Public Administration
16) Regulation No. 02/2011 on the Area of Administrative Responsibility of the Office of the Prime Minister and Ministries
17) Decision of the Government of Kosovo of 4 July 2012 (No. 05/82) on Organization and Functioning of Structures for the Action Plan for Public Administration Reform
18) Administrative Instruction no. MAP 05/2009 on the Administrative Structure of the Ministry of Public Administration.

Macedonia Case

Prepared by:
Jasmina GELEVSKA

I Background of the PAR Strategy development

Public administration reforms (PARs) in Macedonia are essential and one of the most important aspects of governmental efforts during the last 16 years (1998-until present). They are essential since, if successfully implemented, they will enable the future integration of the Macedonia into the regional and global world, and more specifically, into the EU. However, solid implementation of the PAR reform is indeed very complex[1].

1.1. The 1999 PAR Strategy

Since gaining independence in 1991, Macedonia has faced huge economic, political and administrative problems and as a result, the governments in the last 20 years have adopted and implemented many strategies and action plans, in order to stabilise the overall situation of the country and become a full member of the EU. Among the many projects for reform are the strategies and action plans for the public sector reform which were adopted in May, 1999 and December, 2010.

The two governmental documents prescribed many measures and activities to be undertaken in coordination with numerous institutions (Ministries, Agencies, Public enterprises, Commissions, etc.). The main goals of both strategies were the adoption of new pro-reform[2] legislation and the introduction of better administrative structures and processes in order for the public administration in the country to provide better support for the further development of the democratic society and the economy and to create professional public administration by which permanent support for the national aspirations for full EU membership (integration in the European administrative space) can take place.

The Strategy from 1999 was concentrated around the promotion of the following 9 principles (Markic, 2004): the Rule of Law, Transparency, Competency, Stability, Responsibility, Predictability, Equal treatment, Efficiency and Ethics. The overall coordination and follow up of the implementation of the PAR was given to the General Secretariat of the government.

The first phase of the Strategy in 1999 lasted between 1999-2001[3]. During that period, it was assumed that the transformation of the reform principles into legal provisions was a pre-condition for future development. The creation of the Civil Servants Agency (Law on Civil servants 1999), that was supposed to be an agency in charge of the human recourses recruitment, development and promotion was one of the major steps in this phase of the reform. The second phase that lasted from 2002-2006 was characterised by systematic efforts to strengthen the institutional capacity of the existing institutions and the establishment of new institutions to prepare for the next PAR implementation phase.

Finally, the third phase, known as implementation period, can be described as a period of implementation of the reform provision framework, (Strategy for public administration reform, 1999, Action Plan, 1999). The biggest failure of the Strategy from 1999 was, indeed, the implementation phase. Besides the collective efforts of many institutions and the large portions of public money spent on the operations of the current and newly established public institutions, the country is still suffering from huge problems of a political, economic and administrative nature (Koneska, 2007). Furthermore, the PAR Strategy 1999 did not include any political, economical or social performance indicators which could measure the impact of undertaken activities. The Action plan of the government for implementation of the PAR did not include a clear methodology for estimating and calculating the overall effects of the government reform activities[4].

Furthermore, there are currently no other positive results in the public sector that can be explained as a result of the reform from 1999. The reasons for the failure of the Strategy can be summarised as follows[5]:
- First, highly politicised public administration. There was a spoil system of public sector employment instead of the introduction and implementation of merit-based public sector employment which seriously undermined the intention of the Strategy.
- Second, there was no clear system for evaluating the performance of the public sector employees. Accordingly, there was no data that can depict how productive, efficient and effective the public sector employees are in their workplaces;
- Third, the Strategy was very general and did not include any indicators for measurement of the impact of the reform policies. Even the Action

3 Interview with Mr. Oliver Dimov, the former State Secretary in the Civil Servant' Agency of Republic of Macedonia in charge of the PAR.
4 Koneska administracija vo Republika Makedonija. Skopje.
5 Dimeski. B, Assistant Professor, Department of Administration and Management Information Systems,,St. Kliment Ohridski University, Macedonia, International Journal of Politics and Good Governance, Volume 2, No. 2.4 Quarter IV 2011, ISSN: 0976 – 1195.

plan of the government for implementation of PAR did not include a clear methodology for estimating and calculating the overall effects of the government reform activities expressed in numbers (no cost-benefit analysis).

- Finally, from 1999 until December 2011 when the recent Strategy for PAR was introduced to the public, there were three national parliamentary elections (in 2002, 2006 and 2008) and three local elections (in 2000, 2004 and 2008). Therefore, the three different national governments with political power each had different approach in implementing the Strategy. Indeed, all of them, despite their political rhetoric that PAR in the country is very important for economic, political, institutional and administrative development, made no major efforts to ensure solid implementation of the reform.

All of these elements, combined with a politicised administration, the lack of a system for measurement of work performance in the public sector, the lack of indicators for measurement of impact of the reform policies (no clear performance indicators on how to measure success of implementation and no cost-benefit analysis) and inconsistent political support for the implementation of the PAR as a whole) lead to only a partial implementation of some of the activities foreseen in the Strategy and not to a real reform process[6].

This situation (the insufficient reform of public administration) and the need for continuation of the reform processes in the country were reflected in the **European Commission Progress Report 2011** which states that, despite the progress in the field of public administration, "Major shortcomings remain, in particular regarding the rules on recruitment, appraisal and promotion; appointment of senior mangers; and termination of employment". In addition, "While the administrative capacity of the human resources units in some ministries increased, a number of these units at local and central level, on the other hand, remain understaffed. There is still insufficient capacity to perform proper staff appraisal." The Report further highlights the inconsistencies in the process of recruitment and employment, which affect all other aspects of human resources management in the administration.

Even in 2013, the European Commission in its Communication stated: "the Elections are all too often seen as an opportunity to gain political control of state institutions well beyond the normal legitimate hand-over of political power associated with a change of administration.[7] In many cases, even relatively junior

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6 Ibid.
7 Brussels, 16.10.2013 COM(2013) 700 final, COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL, Enlargement Strategy and Main Challenges (2013-2014).

positions in the public administration are effectively politicised. This undermines both the capacity and accountability of administrations. **PAR** is vital, including professionalisation and de-politicisation of the civil service. Embedding meritocratic principles, tackling corruption and ensuring adequate administrative procedures, including with respect to human resources, are of fundamental importance".

1.2. The 2010 PAR Strategy

After almost 11 years of the adoption of the first Strategy for PAR in Macedonia, the General Secretariat of the government in coordination with the newly established Ministry of Information Society and Administration on December 21st, 2010, prepared and adopted a new Strategy on PAR (2010-15). Very similar to the Strategy of PAR 1999, the main areas of intervention are depicted in Table 1 below:

Table 1. Main areas of implication of PAR (December 2010)

PAR 2010-2015	Public Finances (Economic implication on state budget)	Human Resource Management (Implication on HRM)	E-Government and E-Management (Implication on ICT)	Corruption (Implication on corruptive practices)
	Budget preparation	Human Resource Planning	E-infrastructure	Abuse of Budget Resource
	Public Procurements	Human Resource Training	E-Public Services	Conflicts of Interest
	Internal Financial Control	Human Resource Evaluation		
	External Financial Revision	System of Salaries and Benefits		

The effects of the newly adopted PAR Strategy (2010-15) are expected in the areas of public finances, human resource management, E-government & management and corruption (Strategy for Public Administration Reform in General Perspective, 2010).

The new PAR Strategy 2010 and the Action plan for its implementation covers the period until 2015. The main aim of this Strategy is to establish a professional, merit-based, de-politicised public service that would serve as bedrock for all further reform processes in order to fulfil the Copenhagen membership criteria. The Action plan defines the following priority areas: i) administrative procedures and services; ii) strategic planning, coordination, policy drafting and quality

legislation; iii) civil service system and human resources management; iv) public finance system; v) e-Government; and vi) anti-corruption policy in the public administration.

In order to achieve the stated vision, the objective of the PAR Strategy is to improve and further regulate the remaining legislative and administrative framework, to implement the EU concepts and standards and to improve the general and sector-specific administrative capacity. In doing so, the so called "Good Governance" goals will be achieved and public administration will be transformed from a regulatory administration to a service-oriented one, which will be fully incorporated into the "European Administrative Space".

The Action plan for implementation of the PAR 2010 considers all previous EC and SIGMA comments provided in the annual progress reports and during the special meetings in Brussels on PAR strategy.

II PAR Strategy environment

As PAR remains to be one of the key priorities for the country, it is closely linked to all other strategic documents and papers.

The **Multi-annual Indicative Planning Document (MIPD) 2011-2013**

The MIPD underlines that in sectors such as public administration, justice, home affairs, environment, transport or employment; one or several comprehensive national strategies are in place that will allow the EU to increasingly use a more programme-based logic in its planning of pre-accession assistance. In this context, despite the progress made so far in the sector of public governance, the implementation of the Laws on Civil and Public Servants as well as human resource management policies still need to be reinforced within ministries and other state administration bodies. In this respect, full implementation of the PAR measures and enhancement of the human resource management standards are two of the main areas that will remain a challenge for the country in the foreseeable future, up until accession and beyond.

Additionally, the MIPD stipulates as follows: "The main specific objective for EU assistance in the forthcoming period is to implement the new and updated comprehensive PAR Strategy (2010-2015), including among others:..., as well as enhancing capacity of State Audit Office to carry out full range of government auditing".

With regards to the improvement of human resource management standards, the Ministry of Information Society and Administration, within **the National Programme for Adoption of the Acquis Communautaire (revision 2012)**, is introducing activities for the creation of a competent and results-oriented administration. In order to achieve this, two measures were envisaged, the first of which is currently underway: i) implementation of the model of competencies, with deadline for implementation in 2014; and ii) introduction of a Performance Management System for the administration with a deadline for implementation in 2015.

In the area of auditing, the **National Programme for the Adoption of the Acquis Communautaire** points out the following medium-term priorities for SAO: "upgrading the IT system with possibilities for audit process management and document management; trainings for different aspects of the state audit; (and) development of the cooperation with the Parliament of the Country"[8].

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8 National Programme for the Adoption of the Acquis Communautaire, 2011, Chapter 3.32 Financial Control, point 1.3 State Audit

Also, the **National strategy for information society development and action plan set** as a key objective the building of a process that shall define the economic, social and political vision of the knowledge-based society, through ICT development and application in all spheres of life, thereby creating modern and efficient services for the citizens and the business community.

In addition, the **National strategy for the development of electronic communications with information technologies** facilitates the immediate introduction and efficient use of electronic communications and information technologies. This will contribute to the inclusion of the Republic of Macedonia in the globally networked economy and should provoke the economic leapfrogging that will follow.

III Methodology for PAR Strategy development

There are two major priorities for the Republic of Macedonia – EU and NATO integration and intense economic development – neither of which can be effectively addressed without thorough and careful planning.

Therefore, it is in the vital interest of the government and the individual ministries to prepare appropriate policies and programs that will provide the best results in addressing the aforementioned priorities. Considering that the accomplishment of these goals is to be achieved with a limited financial framework, it is crucial that a permanent evaluation and optimal exploitation of the affordable resources is carried out[9].

Thus it would be appropriate for the institutions to employ strategic planning as an efficient and modern instrument of management. This would assist them in defining the best strategies for the achievement of their priorities and goals as well as in the improvement of their evaluation, transparency and efficiency in the expenditure of the limited budget resources. In this day and age, strategic planning has become an efficient tool that enables the institutions to evaluate their own achievements, the efficiency of their work and to identify the odds of their own potentials.

The Manual for Strategic Planning, which was created as a result of the joint effort of the employees at the General Secretariat of the Government of the Republic of Macedonia and the local Consultant from the GOFRE project; and financed by the Government of the United Kingdom, provides the institutions with the tools required for such planning[10].

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9 Generalen Sekretarijat & Sektor za Evropski Integracii, (1999), Strategija za reforma na javnata administracija.
10 Interview with Mr. Zoran Milkov, Head of Sector for Strategic planning in the Government of Macedonia and Senior program Officer in charge for the project held on 25 June 2014.

Table 2. Contents of the Manual for Strategic Planning (MSP)

MSP	
Introduction	The purpose of the manual for strategic planning The legal framework for the process of strategic planning The need for strategic planning? What actually is strategic planning? The advantages of the strategic planning The features of the successful strategic planning
Preparations for the planning process	Who should prepare the plan? The process requires time and commitment Cooperation between the ministries and the other stakeholders
Components of the process of strategic planning	Review of the key questions
Analyses of the present position – Where are we now?	4.1. Methods and tools 4.2. Analyses of the internal situation 4.3. Analyses of the surrounding conditions 4.4. Analyses of the stakeholders
Planning of the future – Where do we want to be?	Mission and vision Establishing of the priorities Defining the goals
Defining the strategy and the implementation plan – How to get there?	Defining the strategy Preparing of the policy programs Phases in the process of preparation of the programs Feasibility of the strategic plan and budgeting Preparing of the implementation plan. Defining success indicators Categories of success indicators Choosing indicators Collecting data
Monitoring and evaluation – How to monitor and evaluate the progress	The importance of the monitoring and evaluation process Preparing reports Updating the strategic plan
Appendixes	Appendix 1 – SWAT Analysis Appendix 2 – Risk management Appendix 3 – Example of an implementation plan

The PAR 2010 Strategy was developed under the lead of the General Secretariat of the government with the support of the IPA 2009 Project "Strengthening the capacity of the General secretariat - sector for policy analysis and coordination - unit for public administration reform and unit for NGO cooperation" (EuropeAid/127747/C/SER/MK) [11]. One of the

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11 Ibid

components of the project- **Component 1: Strengthen the further development and coordination of implementation of the PAR Strategy** was directly oriented towards assistance in preparation of the PAR 2010**.**

Under this Component, and with the use of Manual for strategic planning that was described above (in table 2), the project assisted in preparation of the PAR 2010.

The project assessed the existing PAR Strategy 1999 and Action plan and assisted the General Secretariat in developing the new PAR Strategy, taking into account past recommendations, what was achieved and best practices observed from the reform processes of other countries. The project team designed and delivered awareness-raising activities and organised workshops and public debates enabling open-consultation on the developed PAR Strategy. In the project, besides the steering committee that consisted of:

- The Secretary General of the General Secretariat or Chair of the Inter-ministerial Committee on Public Administrative Reform Coordination as Chair of the SC
- A representative from the General Secretariat – sector for policy analysis and coordination
- The government Secretariat for European affairs
- A representative of the Ministry of Justice
- A representative from the Ministry of Finance
- A representative from the Ministry of local self-government
- A representative from the Civil Service Agency;
  there were also working groups consisting of representatives of various Ministries and Agencies for the different topics within the Strategy.

Furthermore, the monitoring capacities of the General Secretariat were strengthened through the development of monitoring tools, benchmarks and indicators.

The project contributed to:

- Strengthening the capacity of the General Secretariat Sector for Policy Analysis and Coordination (Unit for PAR- the unit that was later transferred to MISA) and the inter-ministerial public administration coordination body in further developing and coordinating the implementation of the PAR Strategy
- Strengthening the capacity of the General Secretariat Sector for Policy analysis and Coordination (Unit for NGO Cooperation) in implementing the Strategy for Cooperation with the Civil Society Sector

IV Responsibility for development of PAR strategy and key players

At this point we should address the five layers of management of the PAR[12].

Layer 1
The highest mandate and level for **preparation, management and monitoring** of PAR is regarded in **the Government of Republic of Macedonia** as one of its core responsibilities. The government regularly informs the Parliament at least once a year (or more, if necessary) on all developments regarding the public administration issues..

Layer 2.1
The government expressed a strong political commitment to the PAR through the establishment of the **Special Group on Public Administration Reform** in the framework of the Stabilisation and Association Agreement (SAA), where the co-chair is the Government of the Republic of Macedonia on one hand, and the European Commission on the other. The dialogue between the two parties occurs twice a year. Ministers for Macedonia (Minister of Information Society and Administration, Minister of Justice, Minister of Local self-government, etc.) and Commissioners are members of this group. The Special Group for Public Administration Reform is established within the High Level Accession Dialogue (HLAD) which the Commission had established in March 2012, to follow and support the improvement of the state in the accession efforts. The role of this Special Group for PAR is **to monitor progress and give guidelines and recommendation** for improvement under the headings of the HLAD agenda in the PAR Sector.

Layer 2.2
Within the government there is **The Commission for Political System**. Between other tasks, this Commission reviews proposals for adopting laws, draft-laws and other regulations and general acts in the sphere of the political system. It also reviews: policy implementation for law enforcement; parliamentary democracy and the rule of law; the information system; the organisation and functioning of the state bodies and PAR; the approximation of the national policy to EU policies; the approximation of the legal system with EU legislation; the realisation of the policy for law enforcement and other regulations of the Parliament and the government; as well as other

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12 Authors view, J.G..

issues of significance for the development of these areas. **It gives opinions and proposals to the government** for resolving the issues within its competencies.

Layer 3
In order to provide and promote clear objectives and directions, specifically in the implementation process in 2011, a **Special Committee for Public Administration Reform**, chaired by the President of the Government of the Republic of Macedonia, was created for the **one task: continuous follow up of the PAR as** regards its implementation in parallel with the obligation for PAR undertaken by the state on its path towards EI. This Committee continues to hold meetings to discuss the reform process. A key priority for this Committee is the implementation of the obligations undertaken. The members of this Committee beside the Prime Minister are Ministers of Information Society, Administration, Local and Self-Government, Justice, Finance, etc.

Layer 4.1
The **Ministry of Information Society and Administration** was created in 2011, its core competence being to **follow up the implementation of PAR** and to propose measures for better implementation.

Layer 4.2
In accordance with the conclusion of the Committee on Public Administration Reform of the Government, MISA set up a **Working Group** composed of representatives from the Agency for Administration, the Ministry of Justice, the Ministry of Finance, the Bureau for Development of Education at the Ministry of Education and Science and the Trade Union of Macedonia. The task of the Working Group is to develop new solutions to reform the relevant administration system (when and if needed). Upon approval of the proposals by the government, changes in relevant laws and by-laws will be made. This means that this group has the task **to operationalise the PAR Strategy** through proposing activities (projects, laws/bylaws, organisational changes, methodologies, etc.) and through the execution of the Action plan for implementation of the PAR.

Layer 5
Each institution that has activities arising from the PAR implementation Action plan is preparing its own annual work plan for the **implementation** of the activities arising from the PAR.

V Content of the PAR Strategy

The Government of the Republic of Macedonia has decided on the so called "selective – radical" method for PAR reforms. This does not mean that the PAR Strategy is radical itself. It does mean, however, that the reform will not be a merely cosmetic and superficial intervention, but a real reform of the System of Public Administration[13].

In accordance with the PAR Strategy and its vision and strategic objectives, it is important to emphasise that its vision is wide enough to cover a long period of time and the objectives are achievable and measurable; that the public administration is effective, efficient and accountable with citizen-oriented services that operate in a transparent and open way, while meeting all values and standards of the so called "Good Governance" within the "European Administrative Space". Public administration will become an effective facilitator for the continuous and sustainable social and economic development of this country.

In order to achieve the stated vision, the objective of the PAR Strategy is to improve and further regulate the remaining legislative and administrative framework, to implement the EU concepts and standards and to improve the general and sector-specific administrative capacity. In doing so, goals will be achieved and public administration will be transformed from a regulatory to a service-oriented administration.

Based on the vision, the overall objective and the principles stated above, there is a specific set of objectives of this PAR Strategy. The most relevant specific objectives are:

- improving the quality of administrative services for citizens and businesses, with emphasis on improving and rationalising administrative procedures through their simplification and association with contemporary IT solutions (including all aspects of the so called "E-government" and "E-administration" concepts)

- improving the public service quality by strengthening Human Resources Management and HR Development function across the whole administration (including the establishment of a training institution/centre)

13 Public Administration Reform Strategy 2010 – 2015. Republic of Macedonia, 21 December 2010.

- improving the strategic planning and policy coordination function of the General Secretariat of the Government/"Centre of Government"

- heightening the efficiency and effectiveness of the public finance system by improving the budgetary process, internal and external financial controls, further development of the program-oriented budgeting and making a more transparent public procurement system

- improving the openness and transparency of public administration through improved access to public information.

Therefore, for the purposes of this PAR Strategy, the functional approach for the determination of its scope was chosen. Attention is focused on the most relevant cross-cutting functions of the administration (as presented in the table below under Section 3. Scope of the Strategy)[14]. These cross-cutting modern governance functions are relevant for the whole public sector, including all organisational forms and administrative levels (central, regional, local). This is what will be treated as the scope of the PAR in this country. The entire public sector will be affected by this reform.

Moreover, this PAR Strategy focuses on improving general administrative capacity, through the reform of core horizontal sub-systems and structures of governance. Although the Strategy mainly focuses on the improvement of central administration, a reform itself will influence and provoke many changes in the other parts of the public sector as well. The aspects of PAR that refer to sound financial management, human recourses management, usage of ICT and anti-corruption are applicable to all civil servants regardless of which level of administration (local, central, public enterprises) they belong to. Furthermore, the impact of the Strategy is anticipated even on the private and social sectors, as all the social systems are, by nature, interlinked and can influence one another. In this way, the good practices formulated in this strategy will be extensive.

The six "Horizontal pillars of the Strategy"[15] – administrative procedures and administrative services, strategic planning, coordination, policy making and better regulation, the civil service system and HRM, the public finance system, e-government and anti-corruption – is one of the vital aspects of the PAR in order to enhance the public administration system, i.e. to raise the level of general administrative capacity. The general administrative capacity has a strong impact on the way public administration and the public sector is organised, how policies are developed, how the budget is created and implemented, how services are delivered or how civil servants are recruited.

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14 Ibid.
15 Ibid.

Therefore, it is important to improve the level of overall administrative performance. Experience from the new EU member states (MSs) points at the crucial importance of robust investment in the general administrative capacity: it is a precondition for the administration attaining EU MSs' standards, and the essential foundation for any sector reform. The six horizontal pillars are provided in the table below (see Section 6. Horizontal pillars).

While PAR was always mentioned as a top priority on every governments' agenda[16], from an institutional perspective, some additional consideration was needed in order to develop proper institutional mechanisms that would support a proper PAR management, implementation and monitoring process. Macedonia decided to set up a new institution that would be the core institutional mechanism for the implementation of the PAR Strategy, and for further development of this field. Greater institutional weight brings higher attention and more resources to PAR, to ensure greater progress and quicker results. Since "Efficient institution is better than more institutions", it was decided that the responsibilities for PAR would be vested into a pre-existing institution. This institution is the "newly" created Ministry of Information Society and Administration. In order to achieve higher responsibility for the follow-up of the implementation of the PAR 2010, the coordination and monitoring activities were transferred from the General Secretariat of the Government to the **Ministry of information society and administration** (**previously Ministry of Information society**). At the same time, the responsibility for HR management of the administration was transferred from the Civil Servants Agency (which is now the Agency for administration in charge only for the recruitment procedure but not for the HRM) to the Ministry of Information Society and Administration, together with the new responsibilities; and the civil servants from the General Secretariat and the Civil Servants Agency were transferred to MISA. In this way, continuity and maintenance of the institutional memory was achieved.

As already pointed out, the PAR Strategy provides concrete directions for creating more coherent administrative structures within and between the various levels of the system of public administration and the other state authorities, as well as for managing changes toward the desired goals in each sector. From this perspective, the government will enhance existing institutions and set up new ones (e.g. for training, etc.). Establishing new institutions is not obligatory, but it will be carefully considered as an option and carried out only when needed. For example, there is an ongoing

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16 Dimeski. B,, Assistant Professor, Department of Administration and Management Information Systems,,St. Kliment Ohridski University, Macedonia, International Journal of Politics and Good Governance, Volume 2, No. 2.4 Quarter IV 2011, ISSN: 0976 – 1195.

analysis on whether it would be better to have a separate training centre for administrative servants, rather than the existing solution where the training of the whole administration is done by the training sector in the Ministry of Information Society and Administration.

No matter what kind of training system and training institution will be in charge, it must provide an increased level of management capacity within the administrative and judicial systems up to a level of efficiency and effectiveness that meets EU standards, with a view to implementing domestic legislation as well as the European *Acquis Communautaire* effectively[17]. This requires a well-functioning and stable public administration which is built on an efficient and impartial civil service.

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17   Ibid.

Table 3. Structure of the PAR strategy 2010-2015:

PAR 2010-2015	
1.INTRODUCTION	1.1 GOVERNMENT'S COMMITMENT TO PAR
2. VISION AND STRATEGIC OBJECTIVES	2.1 Vision
	2.2 Overall Objective
	2.3 Specific Objectives
3. THE SCOPE OF THE STRATEGY	Policy making function, inter-institutional and intra-institutional collaboration and coordination function, HRM and HRD function, public finances including public procurement function, anti-corruption measures, business processes optimisation and simplification, improvement and simplification of administrative procedures and administrative services, and enabling access to public information and the e-government and e-administration function of the contemporary administration.
4. THE CURRENT STATE OF AFFAIRS IN THE FIELD OF THE PAR	A GENERAL VIEW
	4.1 Linkage between the PAR Strategy and Current Economic and Social Situation.
	4.2 Legislation and other public policies
	4.3 Current situation in vertical sectors of the public administration system
5. EU ACCESSION PROCESS AND THE PAR	5.1 Political Criteria for the EU Membership
	5.2 Evaluation of Progress regarding EU accession
	5.3. Lessons Learned by the Previous Accession Experience
6. HORIZONTAL PILLARS OF THE PAR STRATEGY	A) ADMINISTRATIVE PROCEDURES AND ADMINISTRATIVE SERVICES
	B) STRATEGIC PLANNING, COORDINATION, POLICY MAKING AND BETTER REGULATION
	C) CIVIL SERVICE SYSTEM AND HUMAN RESOURCES MANAGEMENT
	D)PUBLIC FINANCES SYSTEM — D.1 PUBLIC FINANCES / D.2 PUBLIC PROCUREMENT . / D.3 EXTERNAL FINANCIAL AUDIT
	E) E-GOVERNMENT AND E-ADMINISTRATION
	F) ANTI-CORRUPTION
7. PAR PROCESS MANAGEMENT, MONITORING AND EVALUATION	7.1. Administrative structures responsible for PAR Strategy management, coordination and implementation
	7.2. Other institutions contributing to the PAR
	7.3. Financing of the PAR.

The current PAR covers a four-year time period, but its Action plan is regularly revised and amended.

VI Implementation arrangements

All the institutions (Ministries, State bodies, Agencies, etc.) have tasks arising from the PAR Strategy. The monitoring of the implementation of the PAR is done through the monitoring of the Action Plan. In other words, the strategy is elaborated in the Action plan, which consists of various projects and activities that are needed to achieve the goals of the Strategy. The Action plan defines all the actors, deadlines, indicators and data to be monitored. Each institution has to report to the MISA. The data that MISA gathers from the institutions is very extensive and needs a lot of human recourses for the preparation of "readable report" for the government.

Another problem that has been highlighted (2011- current) is that some of the indicators have not been effectively defined. For instance, the implementation of one action was not possible because the indicator was "yes" or "no", and so the efforts during the period of implementation could not have been monitored.

The process continues by MISA informing the Commission for Political System and the Special Committee for Public Administration Reform. The Commission and the Committee informs the government. The government, in turn, informs the Parliament and the HLAD Special Group for PAR. The HLAD Special group informs the European Commission[18]. The European Commission prepares annual country progress reports. Within this report, PAR is regularly evaluated.

The institutions inform MISA on a weekly basis and MISA then informs the Commission for Political System and the Special Committee for Public Administration Reform twice a month. The government is informed on a monthly basis. The HLAD Special Group for PAR has sessions twice a year. The European Commission issues findings every year. The Parliament, as mentioned before, is informed on a yearly basis (and more often if needed).

All these findings can be used to mainstream the reform process and amend the Action plan for PAR.

6.1. The new developments

An updated Strategy on PAR was adopted by the government in October 2012 to take account of the developments in the area since its adoption in 2010.

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18 The mandate of all institutions mentioned in this paragraph are described in the Responsibility for development of PAR strategy and key players (Institutional set-up), s. 44.

Preparatory work continued on advancing the legislative framework for civil and public service and general administrative procedures. Drafting of the respective laws has progressed in consultation with EU experts. A new legislative approach has been prepared to unify the fundamental principles for both the civil service and public employment, such as transparency of recruitment and public employment registers, the principle of merit and targets for equitable representation. A review of the general principles governing public employment in specific areas such as healthcare and education was launched and the drafting of sector-specific laws was initiated, including the law on administrative servants. A Working Group on the latter was established in November 2012, with a broad representation of stakeholders. A policy paper was adopted in March outlining the main elements of the new law as regards, *inter alia*, human resource management, appraisal and dismissal procedures, training, and mobility.

A conference on equitable representation was organised by OSCE and OECD/ SIGMA at Ohrid in November 2012. Following a public consultation in December 2012, a policy paper was adopted by the government in January 2013 setting out the main objectives of the new law on general administrative procedure. The government tasked the Working Group with preparing a draft text of the law by end of 2013. The Law was enacted in February 2014[19].

The Government of the Republic of Macedonia, on the basis of experts and comparative experiences, assessed that the PAR should be concentrated in a single state administration body (Ministry of Information Society and Administration) in order to take organised and coordinated measures for the implementation of this process in a planned and strategic way. According to the amendments to the Law on the Organisation and Operation of the State Administrative Bodies ("Official Gazette of the Republic of Macedonia", No. 167/2010), some employees who worked on the PAR process from the Ministry of Justice, the General Secretariat of the Government of the Republic of Macedonia, the Secretariat for European Affairs and the Agency for Civil Servants, have now been transferred to the Ministry for Information Society and Administration.

As one of the findings in the EU progress reports in the area of PAR was the lack of "sufficient application of the principles of openness and transparency and participation in the processes of decision making and monitoring implementation", the government decided to promote the inclusion and participation of citizens in the decision-making process.

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19 Public administration reform EUROPEAN COMMISSION Strasbourg, 16.4.2013 COM(2013) 205 final, REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA: IMPLEMENTATION OF REFORMS WITHIN THE FRAMEWORK OF THE HIGH LEVEL ACCESSION DIALOGUE AND PROMOTION OF GOOD NEIGHBOURLY RELATIONS.

One of the tools used for this task was the application of information technologies and establishment of electronic systems for electronic administrative archives working known as e-government. This tool saves all the data and by application of the Law for free access to public information, is the information is made available to the public on request. In addition, the sessions of the government are public and are broadcasted on the National TV Station. The Ministry of Information Society and Administration also represents a state organ which undertakes steps in the direction of enabling full mutual communication between the citizens and the government. This is done by placing all the drafts for legal texts (laws, bylaws) on a web portal where all the citizens, NGOs and interested parties can leave a comment or ask any questions for clarification. MISA is obliged to answer, take into account the comments and inform the Government about them. However, the transparency and liability could still be improved.

VII Future plans

The quality of the public administration is the key to rendering an appropriate level of services to the citizens and companies, which contributes to development of societal and democratic processes, as well as to EU integration. Bearing in mind that the services of public administration are of great significance to the citizens of our multi-ethnic society, it is important that a modern, professional and efficient public administration is created which will improve the relations with the citizens by placing itself at their disposal.

The government will focus on conducting reforms for increasing the efficiency, effectiveness and accountability, boosting the transparency and openness of the system, improving the quality of the services and raising the level of satisfaction of the citizens and private legal entities that use the public services.

In this respect, measures will be taken to boost efficiency when implementing administrative procedures by: establishing the right to lodge an appeal against an administrative decision to a higher instance as a rule determined by law; implementing the "Silence of the Administration" principle, wherever applicable, to the benefit of citizens and companies; establishing precise, tight deadlines for deciding upon administrative procedure; and strict penalties for management officials who fail to adhere to these deadlines. Thus, the procedure for lodging an appeal at second instance will be precisely regulated, a clear solution for the silence of the administration will be determined, and deadlines for deciding upon administrative procedures will be shortened and strictly stipulated. In this respect, several projects on strengthening the capacities of the public administration will be carried out as a part of the continuous support of the Instrument for Pre-accession IPA Component 1.

As mentioned above, the Action plan for the implementation of the PAR Strategy 2010-2015 is regularly updated. Bearing in mind that the current Strategy covers the period until 2015, a new Strategy will be prepared. However, there is no deadline for this new Strategy since the overall objective and the goals have not changed.[20] It could be that the Action plan for implementation of the Strategy will be revised and new projects (activities) will be added, and the existing implemented one will be scrapped.

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20 Interview with Jahi Jahija State Secretary in the Ministry of Information Society and administration on 27 June 2014 in charge of PAR.

VIII Conclusions and recommendations

The process of reform of the state administration is a continuous one which strives to increase the effectiveness and efficiency of the state administration. That is why all relevant factors contributing to the achievement of the goals should be taken into consideration – political commitment, public support, human recourses and budget.

Without political support, even the best written strategy will be a failure. In this aspect, Macedonia has shown stability in the implementation of the 2010 Strategy. The public support for the reforms is strengthened. However, active participation of the public is something that needs to be developed further. Human recourses also remain a significant issue. There is a lack of motivation which resulted from the fear of change (PAR usually means a lot of changes for the civil servants), a lack of financial motivation and limited salaries due to the economic crisis. All this culminates in lot of experienced people leaving in the private sector and a lot of new, inexperienced ones entering the public sector.

The number of activities that shall lead to PAR developed in the Action plan is significant. Indeed, it is more of an "Activities plan" than an "Action plan". It should be restructured from being solely activity-based to become more action-based to facilitate swifter monitoring. The line institution may also want to do so for their internal purposes. A lot of the activities foreseen in the Strategy need better funding; this gap is overcome by Technical Assistance and various donors, but should not, however, be a future practice.

Furthermore, in order for the international community to be able to monitor the progress and the effectiveness of the results achieved in the PAR process, mutual indicators (as already initiated by the EU and the World bank) should be adopted and put in place in all the accession and pre-accession countries.

No.	Recommendation	Timeframe	Responsible institution
Development of the PAR strategy			
	Regular update of the Action Plan	Short- term	MISA/line ministries
	Increased participation of the public	Continuous/ long- term	MISA/Government
	Maintaining the political support	Continuous/ long-term	Government
Institutional set-up			
	Strengthening MISA capacity[21]	Short- term	Government/ Ministry of Finance
	Strengthening the capacities in line ministries	Short- term	Government/ Ministry of Finance/ MISA
Contents of the PAR strategy			
1.	Reducing the scope of the Action plan	Short- term	MISA/Government
2.	Simplification of the Action plan	Short- term	MISA/Government
Implementation and monitoring arrangements			
	Increasing the monitoring and reporting period from 1 week to 1 month	Mid-term	MISA/Government
	More realistic budget planning	Mid-term	Government/ Ministry of Finance
	Creation of mutual indicators	Mid-term	Government/World Bank

21 Functional analysis of MISA was conducted and it should have a lot of vacant positions (more than 50% understaffed for the execution of the activities regarding the implementation of the Action plan).

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7) Evaluation of Public Administration Reforms in the Former Yugoslav Republic of Macedonia, p. 151.

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16) Shafritz, J. M & Russell, E. W. (Eds.) (1999), *Introduction to Public Administration*. NY: Longman.

17) Verdery, Katherine, (1996) *What Was Communism and What Comes Next?* NJ: Princeton University Press.

18) Vlada na Republika Makedonija, Sector for Implementation of the Ohrid Framework Agreement, (SIOFA), (2006), *The Levels of Equitable Representation of Ethnic Communities 31.08.2006*. Retrieved May 31, 2007, from:

19) www.cfcd.gov.mk

20) www.sep/gov.mk

21) www.vlada.mk Program for the work of the government of Macedonia

22) http://ec.europa.eu/enlargement/key_documents/reports_nov_2006_en.htm (

23) http://www.siofa.gov.mk/doc/Vkupno_bez_konekcii.xls

24) www.MISA.gov.mk

Montenegro Case

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I Background of the PAR Strategy Development

Montenegro is the smallest of the Southeastern Europe countries. According to the last census in 2011, it has about 620,000 inhabitants, of which less than a third is employed. However, 58.841 employees, which is 27.1% of all employees, are working in the public sector[1]. At a time when all public administrations were searching for appropriate responses to the consequences of the financial crisis, such excessive Montenegrin public administration significantly characterised the current efforts for its reform.

However,, this was not the main task of the previous PAR Strategy. Although the transition began in the late 80s of the last century, during the first decade of this process there were no significant changes in functioning of public administration in Montenegro. Jurisdiction in this area belonged to the Ministry of Justice, and the system of public administration has been highly centralised, with an increasing number of state bodies and public officials, in all sectors, and especially in the field of Interior.

At the beginning of the 21st century, after significant political changes, the reforms in the public administration system in Montenegro and its adaptation to the principles of the European Administrative Space began[2]. In March 2003 the Government of Montenegro adopted a comprehensive Public Administration Reform (PAR) Strategy for the period from 2002-2009 with two main objectives: "to increase the internal efficiency of the administrative system of government action; changes in administration with the purpose of its inclusion in the broader social systems." Other objectives were: "transfer of responsibilities to lower levels of the system raising the quality of work; better management of human resources; improvement of administrative services; developing public services and services to meet the needs of consumers; as well as the optimal use of modern information technology"[3]. This Strategy identifies the reasons for the reform as well as the measures which should be taken along with the relevant time schedules and financial indicators.

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1 Based on Labor Force Survey methodology. If we compare the number of employees in the public sector with total number of registered employees, then the percentage will be higher – 35.2%. More information is accessible at: Government of Montenegro: Plan for Internal Reorganization of Public Sector, July 2013.

2 During 1997 the political divergence between the Montenegrin authorities and Belgrade regime was strengthened, and after the fall of the Milosevic regime (2000), relations between Serbia and Montenegro (2002) were regulated by the so called Belgrade Agreement and the State Union of Serbia and Montenegro was created.

3 Government of Montenegro: Public Administration Reform Strategy (2002-2009), pp. 11-13.

The first phase of the reform was devoted to the development of new legal framework. The second and third phases dealt with the preparations for the implementation of the legislation, adoption of new procedures, communication and the establishment of cooperation with the administrative systems of EU member states[4].

This reform process was significantly supported by the European Union (EU) through the CARDS program. Three projects (PARIM I, PARIM II and PARIM CB) lasted from 2002-2007.

The strategy incorporated three areas of administrative systems: 1) state administration, 2) local self-government, and 3) public services (public enterprises, public institutions, regulatory agencies)[5] A key principle set by this Strategy is that ministries are administrative bodies with rights to develop internal and foreign policies (working on the preparation of legislation, strategies, projects, programs and international documents), while other administrative bodies primarily perform duties of enforcement and implementation of the legislation. This represented a significant change compared to the earlier concept that the ministries had the right to create and implement policy. During this period, the following laws were adopted: on Public Administration (2003), on Inspection Control (2003), on Municipal Administrative Procedures (2003), on Local Self-Government (2003), on Ombudsman (2003), on Civil Servants (2004, 2008), on Salaries of Public Servants and Employees (2004). Also, a systematic adjustment of the regulations on public administration to the Constitution of Montenegro, the Code of Ethics for civil servants and employees, was adopted in 2005, accompanied by 17 bylaws necessary for the implementation of the aforementioned laws[6]. In accordance with the new legislation, a number of new institutions were established: the Ombudsman, the Administrative Court, and the Court of Appeals, the State Audit Institution. Activities to establish a system of internal audit in the public sector were also initiated. In order to improve human resource management in the civil service, in 2004 the Human Resources Management Authority was established.

The Government itself assessed that the implementation of this PAR Strategy met resistance on several levels: by the heads of institution – because of the fear that the merit-based system would deprive them of their privileges - and ordinary

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4 Ibid., p. 43.
5 In Montenegro, as well as in other countries from the former Yugoslavia, there is a difference between the concepts of public administration and state administration. The term public administration (javna uprava), which is rarely used, refers to the overall governance. The term state administration (državna uprava) is a term in general most often use which applies only to the Ministries and other institutions of the Government at a national level.
6 Government of Montenegro: Analysis of achieving Public Administration Reform Strategy, Podgorica, (March 2007), p, 3.

public servants and employees because they did not know what changes the Strategy would bring. Another problem was the lack of highly-qualified staff, as well as a lack of institutions which could analyse the process[7].

In order to coordinate the activities on the implementation of the PAR Strategy, special coordination and management structures have been established. For political coordination of the Strategy, the special structure at government level which is headed by the Prime Minister, was established. It was entitled: the Forum for political coordination of administrative reform of Montenegro. It provided "permanent political and strategic support and guidance of the process of administrative reform, as well as monitoring of achievement of goals"[8]. In parallel, the operating level of coordination was in hands of the established Inter-ministerial Committee, coordinated by the relevant Assistant Minister of Justice. The members of this Committee were the secretaries of ministries and assistant ministers who are responsible for some significant areas in the process of administrative reform. These structures dealt with coordination of implementing activities at the level of state administration.

For coordination of reforms at the level of local government a special Coordination Committee for Local Government Reform was formed. This Committee consisted of five ministers (of Interior, Finance, Economy, Sustainable Development and Tourism, and Agriculture and Rural Development), the deputy interior minister for the local government area and five representatives of the Union of Municipalities of Montenegro (the mayor of the capital, three presidents of municipalities and the general secretary of the Association of Municipalities of Montenegro). This committee is still active and is chaired by the Minister of the Interior.

During this period, the PAR Coordination structure headed by the Prime Minister played a crucial role of political coordination of PAR and the government regularly discussed analytical materials and focused on the issues of PAR[9]. However, as indicated by the Institute Alternative, the quality of reporting and analytical material was inappropriate. The materials considered by the government were product-oriented, mostly referring to legal changes. They were missing numerous

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7 Presentation of Ms. Stana Pajović, Assistant Minister for State Administration of the Ministry of Internal Affairs and State Administration from the "Conference on Public Administration Reform in Montenegro and its challenges", Budva, (26-27 March 2009), Ministry of Internal Affairs and Public Administration, SIGMA, with the support of the European Commission.

8 How it was envisaged in Public Administration Reform Strategy 2002-2009, p. 45.

9 January 2005 - Analysis of reformed legislation in the field of public administration; April 2005 - Information on the activities of the Ministry of Justice in the area of the reform process of the judiciary, state administration and local self-government; September 2005 - Report on activities to create conditions for the implementation of new administrative regulations of Montenegro; June 2006 - Report on the status of administrative matters in the 2005 (all prepared by the Ministry of Justice) and May 2007- Analysis of the exercise of public administration reform (prepared by the Ministry of Internal Affairs and Public Administration, which will be explained later).

data, analysis of change and the operation and performance which adopted legal norms should produce in real life. The absence of good quality analysis will prove at a later stage to be the key problem in drafting the new Strategy[10].

Moreover, in 2003 the Ministry of Justice created a special Council for PAR, which represented an external strategic advisory body tasked with analysing, proposing positions and providing expert opinions on all matters in the field of PAR. The Council was chaired by Minister of Justice and consisted of representatives of universities, the judiciary, the Association of Municipalities, NGOs, experts, and representatives of five donor organizations (Open Society Institute, the European Agency for Reconstruction, the Council of Europe, the Organization for Security and Cooperation in Europe - OSCE, the United States Agency for international Development - USAID). The Council had a president and twelve members.

This governing and monitoring mechanism established in 2003 functioned until the formation of the first Government of independent Montenegro. To clarify, Montenegro in May 2006 successfully organised the referendum on the renewal of state independence, and then in September 2006 the first elections of the independent state were held. After the formation of the new government, public administration tasks were transferred from the Ministry of Justice to the Ministry of Internal Affairs, which was renamed into the Ministry of Interior and Public Administration. In accordance with such a transfer, the Council of the Ministry of Justice for PAR was terminated in 2006 and a similar advisory body has never been established by the new Ministry responsible for PAR.

Considering that the Ministry of Interior and Public Administration did not establish adequate human capacity for dealing with public administration issues, in the coming period until the adoption of the new strategy, the guidance, implementation, and quality of reporting on the process of PAR became significantly weaker[11]. It was, as the Institute Alternative concludes, "a result of reduced interest of the Government for PAR, lack of administrative capacities, but also a habit of product- and not change-oriented reporting"[12].

In this context, the drafting a new PAR Strategy commenced at the beginning of 2010.

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10 State Administration Reform in Montenegro, 'Between ambitious plans and real possibilities' edited by Jovana Marovic, Institute Alternative, Podgorica, (2012), p. 38.
11 Public servants which who were employed in the Department for Public Administration of the Ministry of Justice were not transferred to the newly established department for Public Adminstration within the Ministry of Interior and Public Administration. During 2007 this new Department had no public servants except the Deputy Minister for Public Administration, transfered from the Ministry of Justice, who officially asked for retirement.
12 Ibid., p. 40.

II PAR Strategy Environment

The work on the new PAR Strategy began in a period of very significant political events related to the European Integration (EI) process of Montenegro. The independence of the country was restored in 2006, a new constitution was adopted in 2007, and in the same year Montenegro signed the Stabilization and Association Agreement (SAA) with the EU.

By signing the SAA, Montenegro committed to harmonise its legislation with the EU *acquis communautaire*. In order to commence this process expeditiously and prepare for the new challenges and responsibilities which accompany EU membership, the Government of Montenegro prepared the National Program for Integration of Montenegro into the EU (NPI) in 2008, for the period from 2008-2012. The NPI represented the national plan for the adoption of the *acquis communautaire*, but it was also a "detailed plan of activities necessary for Montenegro to assume the obligations arising from EU membership". So, the NPI had to become one of the key documents of the future government. As the government concluded: "NPI will serve not only as a means of coordinating reforms towards the EU and the basis for the development of annual work programs of the Government, but also as a transparent and well-prepared information on the planned reforms, intended for the European Commission and EU Member States, on the one hand, and the Montenegrin public, on the other hand. The NPI will be a strategic frame of democratic and economic reforms in the country"[13].

In the same year, Montenegro applied for EU membership and in 2009 the government completed the uestionnaire of the European Commission, which was part of the process of developing the Opinion of the European Commission on Montenegro's application for membership. Based on this Opinion, at the end of 2010, Montenegro became a Candidate country for EU membership. However, the European Commission indicated in its Opinion that Montenegro had to prove its strong commitment to seven key priorities (in the field of political criteria for EU membership) in order to be able to begin the Accession negotiation. The second priority was bound to complete the essential steps in PAR -.the EC request was to: "Complete essential steps in public administration reform including amendments to the law on general administrative procedure and the law on civil servants and state employees and the strengthening of the Human Resources Management Authority and

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13 Government of Montenegro: National Plan for Integration of Montenegro in the EU for the period 2008-2012, Podgorica, 2008, p. 19.

the State Audit Institution, with a view to enhancing professionalism and de-politicization of public administration and to strengthening a transparent, merit-based approach to appointments and promotions"[14].

In the Analytical report, which accompanied the 2010 Progress Report, the European Commission stated the following critical warning on the situation in the field of public administration:

"…a merit system for recruitment and promotion is neither clearly enshrined in the legislation, nor applied in practice. There are no clear, uniform criteria for selecting candidates. There is no recruitment panel involved in the final stages of selection and heads of administrative bodies empowered to take the final selection decisions are not required to give reasons for their choice. The Appeal Commission's control over the recruitment decisions is very limited. Tests are inadequate and examination requirements are waived regularly. This allows for political interference and nepotism in the appointments and promotions and undermines the quality and efficiency of the public administration;

…administrative justice must be strengthened, including by improving enforcement of decisions by the Administrative Court;

…there is no comprehensive, regulatory framework to monitor corruption and conflict of interest through consistent internal controls;

…legal mandate and capacity (of HRMA) need be strengthened in order to allow it to fulfill its role of monitoring implementation of the legislation and ensuring consistent human resources management across the administration;

…Overall, the public administration remains weak and highly politicized. The general administrative framework, including the Law on general administrative procedure and the

Law on civil servants and state employees needs to be reviewed and adapted to European standards and principles. Administrative procedures are cumbersome and time-consuming and must be simplified.

…Significant efforts are still necessary by Montenegro to establish a sound and accountable public administration free of politicization. The quality of legislation and of decisions and acts produced by the public administration needs to be considerably improved. This is inextricably linked to improving the quality, capacity and expertise of public servants, with the aid of merit-based

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14 European Commission: Opinion on Montenegro's application for membership of the European Union, SEC(2010) 1334, p. 11.

recruitment and promotion and continuous training. Further considerable efforts to strengthen administrative capacity to deal with future EU accession obligations are needed"[15].

In this way, the processes of EI and PAR in Montenegro have been directly interfered with. The next steps in PAR were additionally motivated by the need to provide responses to the EC requirements.
Responding on the priorities set out in the EC Opinion, the Montenegrin government drafted a comprehensive Action plan for monitoring the implementation of the recommendations of European Commission with 151 activities. In the area of PAR this Action plan contained seven priority measures and 14 activities planned for 2011. Half of these activities had a normative character (adoption of new laws and bylaws), some had strategic character (adoption of new PAR strategy, between them), and one-third of the activities were directly aimed at the improved enforcement of laws and public policies (such as training programmes, new employment in Department for public administration within the Ministry of Interior, etc.).

So, during 2010 this Action Plan significantly influenced the process of drafting a new PAR Strategy 2010-2014, which later, in 2011, the Government adopted under name PAR Strategy 2011-2016.

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15 Analytical Report accompanying the Commission Opinion on Montenegro's application for membership of the European Union šCOM(2010) 670ć Brussels, (9 November 2010), pp. 14-16.

Assessment from the European Commission

European Commission continuously repeating almost identical critical assessments of the quality of public administration in Montenegro.

For example, in the Progress Report for 2011the Commission criticised the state of public administration in the following way: "However, the overall capacity of ministries to produce high-quality legislation and impact assessments remains limited. The administrative capacity involved in coordination of European integration, including financial assistance, remains weak and needs to be substantially strengthened." [16]

In the Progress Report for 2012 Commission says the following: "The administrative capacity for the coordination of European integration, including financial assistance, needs to be further strengthened to meet the requirements of the accession negotiations. The overall capacity of ministries to produce high-quality legislation and impact assessments needs to be enhanced. As regards the local government, further efforts are needed to implement recent legislation and to establish a transparent, efficient and accountable administration." [17]

The Progress Report for 2013 year also concludes: "The overall capacity of ministries to prepare high-quality legislation and impact assessments needs to be enhanced. As regards the local government, further efforts are needed to establish a transparent, efficient and accountable administration" [18].

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16 European Commission: MONTENEGRO 2011 PROGRESS REPORT, Brussels, 12.10.2011, SEC(2011) 1204 final, p. 8.
17 European Commission: MONTENEGRO 2012 PROGRESS REPORT, Brussels, 10.10.2012, SWD(2012) 331 final, p. 8.
18 European Commission: MONTENEGRO 2013 PROGRESS REPORT, BRISEL, 16. 10. 2012, SEC(2013) 411, final, p.8.

III Methodology for PAR Strategy Development

The first PAR Strategy 2002–2009 was developed with significant assistance from the European Commission. This defined the key characteristics of the methodology for developing the Strategy. Considering that Montenegro (even today) has no unique methodology for the development of strategic governmental documents, this leading role of the EU experts was very useful. The PAR Strategy 2002-2009 was methodologically guided by the experience and lessons passed on from EU experts who were leaders of the projects which supported the development and implementation of the PAR Strategy 2002-2009 (already mentioned CARD projects PARIM I, II and CB).

However, the EU support to PAR Strategy implementation ended in 2007, and the migration of the PAR mandate from the Ministry of Justice to the Ministry of Interior was initiated in November 2006. These two facts contributed to the weakening of the quality of monitoring and implementation of this Strategy and to the delay in the preparation of a new Strategy. The activities on the implementation of PAR Strategy 2002-2009 were almost suspended in period 2007-2009. The period of validity of the PAR Strategy effectively expired in 2007, following which there were no important activities for its implementation.

Bearing in mind that the Ministry of Interior and Public Administration had no capacities for dealing with PAR issues, the Cabinet of Deputy Prime Minister for political system, internal and external policies took the responsibility to lead the process of development the new Strategy. The works on a successor PAR Strategy began in 2009/2010. The first draft of the new PAR Strategy, called the Agenda of Administrative reforms in Montenegro 2010-2014 - AURUM[19], which the government adopted simply as a draft for inter-ministerial and broader public discussion, received very critical remarks and comments from SIGMA, UNDP, World Bank and Council of Europe. Almost a year later this draft was revised, and the government in March 2011 adopted PAR Strategy 2011-2016 (in Montenegrin: *Agenda upravnih reformi u Crnoj Gori 2011-2016 - AURUM*). The PAR Strategy 2011-2016 also contains the Action plan which covers period from 2011-2013.

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19 The AURUM acronym itself is the result of a combination of Montenegrin and English title of the strategy. The term "aurum" in the Montenegrin public was presented as the "Golden Book".

In its Assessment report on Montenegro for 2011 SIGMA states the following: "The development of this strategy was largely driven by the perception that it was requested by donors and primarily by the EU integration process. The Government Council for Public Administration Reform had weak substantive capacities and did not succeed in producing a convincing and coherent reform agenda. The drafting of the AURUM was thus heavily dependent on input from outside sources and had limited inter-ministerial co-ordination. This generates doubts on its ownership by the Government of Montenegro, concerns on the will and capacity to implement it and – finally – on its sustainability"[20].

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20 SIGMA: Assessment Montenegro, (2011), p. 3, available at: www.sigmaweb.org/pu blications/48970665.pdf.

IV Responsibility for development of PAR Strategy

In December 2009 for the preparation of the successor PAR strategy, the government established so called Expert Working Group with the task of preparing the Agenda of further development of PAR for the period from 2010-2013[21] with a clear deadline: the end of the second quarter of 2010. The composition of this Expert Working Group included representatives of various ministries: Interior, Finance, European Integration, and other relevant institutions, and this working group was chaired by the Advisor to the Deputy Prime Minister for political system, internal and external policies[22]. The overall coordination of the preparation of the Strategy was led by the Cabinet of this Deputy Prime Minister, located in the General Secretariat of the Government. However, at the beginning of 2011, after elections in late 2010 and the formation of the new Government, further work on the preparation of the strategy was taken over by the Ministry of Finance[23].

The management and monitoring processes of PAR at the state and local level was confused and uncoordinated. Neither the draft PAR Strategy 2010-2014 or its adopted version 2011-2016 resolved the problem of differences in models of coordination of administrative reform at state and local level. Namely, at local level, the existing special Coordination Committee for Local Government Reform is responsible to manage the process of administrative reform of local self-governments and its monitoring. This Coordination Committee, as it is already mentioned, is chaired by the Minister of Interior[24].

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21 The task of the Working group was to create a strategic document for the period from 2010 - 2013, and this group developed a document for the period from 2010-2014, but the Government ultimately adopted a document for the period from 2011-2016.

22 Although the name of the group was Expert Working Group, some of its members were trainees wihout enough experience and knowledge on public administration and particulary on strategic planning.

23 The overall attitude within the government on this PAR strategy was very influenced by the fact that the Deputy Prime Minister for political system, internal and external policies, who was at the same time the Vice President of ruling political party – Democratic Party of Socialists – got into political troubles. His brother was arrested because of corruption, and the general public and public servants understood this as an political attack on the Deputy Prime Minister. That is why the general attitude toward PAR strategy within the government was that it is unimportant, temporary and certainly unsustainable. (Remark by author.).

24 In the meantime, with new Government in November 2009, the Ministry of Internal Affairs and State Administration changed its name to: Ministry of the Interior. Jurisdiction over the domein of state administration and local self-governments remained in the Ministry.

Regarding the management of PAR Strategy at the state level, things are more complicated. The draft of AURUM defined one model of monitoring and evaluation which envisaged the establishment of the Council for Public Administration Reform as an advisory body at the highest level, tasked to provide advice and strategic direction for the implementation of the AURUM to the government. This draft version of AURUM also envisaged that members of the Council, beside political and government officials, should be prominent experts and representatives of civil society as well as donors. The leading role in the Council was planned for the Deputy Prime Minister for political system, internal and external policies[25].

In addition to this strategic level, this draft of AURUM envisaged the establishment of the Operational Team for the PAR and the Office for the Coordination of PAR, both placed in the Cabinet of the Deputy Prime Minister for political system and internal and external policy[26].

However, the approved PAR Strategy (AURUM) for the period 2011-2016 defines a completely different model for managing its implementation, monitoring and evaluation. Strategic management of the PAR is entrusted to the Council for Regulatory Reform and Improvement of Business Environment[27], as the body responsible for the reform of the state administration, and the Coordinating Committee for Local Government Reform, which is responsible for the reform of local self-government. The Strategy states that: "The Council and the Coordinating Committee, following their mandates, will have the following tasks:
- To monitor and coordinate the activities of administrative bodies and other relevant institutions in their areas in order to monitor the implementation of public administration reform;
- Stimulate cooperation between state bodies, municipalities, non-governmental sector, international organizations and other participants in the process;
- Monitor the implementation of specific legal solutions in the areas of their jurisdiction;
- To assess the progress of reforms in the public administration reform and give suggestions for concrete actions in order to determine the direction of reform;
- Establish guidelines and direction of the decentralization process of the overall system of public administration;

25 Government of Montenegro: Agenda for Public Administration Reform in Montenegro for 2010-2014, "AURUM" - Draft, p. 43.
26 The Operational Team, as well as the Office, was never established.
27 This Council was founded in early 2010 as the successor of the previous Council for removing business barriers, headed by the Prime Minister.

- Appreciate the effects of the adopted laws and other regulations pertaining to public administration reform, fortifying barriers in the implementation of laws and regulations and provide concrete suggestions for the removal of barriers that have been identified;
- Consider any other matters relating to administrative reform in order to improve the efficiency of the implementation of strategic documents in their jurisdiction"[28].

Also, the Strategy obliges the Council and the Coordinating Committee to prepare reports every six months to the Government on the status of implementation of activities defined by this strategy[29] However, the Council for Regulatory Reform has not yet submitted any report to the Government on the implementation of the PAR Strategy and its Action Plan 2011-2013. Only in December 2013 (almost two and half years after adoption), the Ministry of Interior submitted the first report on implementation of the Action Plan[30]. Together with this report, the Ministry of Interior also prepared a new Action Plan for the period 2014-2015. A new report is currently being prepared[31].

In addition, it is important to mention that in the General Directorate for State Administration and Local Self-Governments of the Ministry of Interior, only three public servants are employed on issues related to state adminstration and four regarding local governments.

28 Government of Montenegro: Agenda for Public Administration Reform in Montenegro for 2011-2016 "AURUM", pp. 52-53
29 Ibid., p, 53
30 This means that three semiannual reports were forgotten.
31 Interview with Director of the General Directorate for State Adminstration and Local Self-governments in Ministry of Interior.

V The Content of the PAR Strategy

The main objective of Montenegrin PAR Strategy (AURUM) 2011-2016 is to have an efficient, effective, professional, easily accessible and service-oriented public administration, which serves the citizens and the social and economic subjects[32].

Based on this general objective the following specific objectives are defined:
- Strengthening the rule of law and accountability of public administration
- Institutional stability, functionality and flexibility of the system of public administration
- Improving the business environment, raising the quality of public services and reducing administrative burdens
- Increase transparency and level of ethics in public administration
- Further inclusion of Montenegro in the European Administrative Space[33].

The areas of PAR Strategy are: 1) state administration; 2) local self-government; and 3) other public service organisations which have public authority. In each of these areas, the Strategy assessed the previous results and current situation and defined the objectives and directions for future activities.

In the area of state administration PAR Strategy defined the following goals:
- Structural adjustment of the system of state administration to the best European standards, which include reorganisation, rationalisation, increased efficiency and cost savings, improved coordination within the state administration, improved openness, accessibility and participation of citizens
- Stabilisation of public finances, unified salary policy, as well as better planning and strengthening the control of expenditure of the budget
- Improving the civil service system through further development and human resource management, application of the merit system in employment and promotion, improving the system of training of civil servants.

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32 Government of Montenegro: Agenda for Public Administration Reform in Montenegro for 2011-2016 "AURUM", p. 9.
33 Ibid.

- Achievement of higher quality of regulations and policy documents which is specifically related to the introduction of regulatory impact analysis.
- Improvement of administrative procedures
- Improvement of the system of e-governance in state administration
- Improvement of the inspection system.

In addition, the Strategy indicates that žraising the level of ethics for civil servants and combatting corruption in government bodies' is one of the priorities of the Government of Montenegro, but that it is specifically addressed in the Strategy for the Fight Against Corruption and Organized Crime, and that's why this strategy does not address in detail these questions.

Regarding the local self-government, the PAR Strategy also analyses the current situation and defines the goals and directions for future activities. The Strategy focuses on the following issues:
- Further decentralisation process
- Improvement of the financing of local government
- Strengthening of administrative supervision at the level of local government
- Enhancing local economic development
- Reform of public utilities, especially municipal police
- Ensuring greater citizen participation, transparency and good governance at the local level
- Strengthening inter-municipal cooperation and collaboration with other public services and agencies
- Development of Human Resource Management
- Development of e-government in municipalities
- Development of the system of local inspection.

PAR Strategy does not cover in detail the reforms in the third field of public administration in Montenegro (public services and regulatory bodies). Although the Strategy clearly states that "The absence of a law regulating the field of public services and other organizations exercising public authority resulting in extraordinary diversity in their status and operation, as well as insufficient control over the legality and suitability of their work"[34], it provides neither any specific deeper analyses of this segment of public administration or foresees further objectives and activities. Analysis of the public services and regulatory bodies is scheduled by the Government of Montenegro in the 4th quarter of its Annual Work Programme 2014.

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34 Government of Montenegro: Agenda for Public Administration Reform in Montenegro for 2011-2016 "AURUM", p.13.

VI Implementation arrangements

Neither of the two models of management and implementation of PAR Strategy (the first defined in the draft PAR Strategy (AURUM) 2010-2014, and later one in adopted PAR Strategy (AURUM) 2011-2016) were realised. In practice, after the adoption of the PAR Strategy, the question relating to the mandate for management and implementation of the PAR Strategy within the government was finally examined.

As noted by the Institute Alternative, "the jurisdiction for operational management of the Strategy implementation rests somewhere between the Ministry of Interior (having lost, meanwhile, the žpublic administration' indication from its name) and the Ministry of Finance, which is not a good solution since it leads to division of responsibilities or unclear shared responsibility"[35]. Similarly, SIGMA concluded that "public administration reform process suffers form a lack of effective implementation mechanisms… These are not very promising preconditions for achieving results"[36].

It is clear that the Council for Regulatory Reform and Improvement of Business Environment is not an adequate structure to monitor civil service reform and ensure strategic management of the PAR. The main task of this Council is "the removal of business barriers and unnecessary regulations and procedures implemented by national authorities, in order to achieve savings in time and money for citizens and the economy." The jurisdiction related to the reform of public administration is not explicitly specified among the tasks of the Council. This Council is far more committed to the economic and financial sector issues and relations between business and the state. Consequently, the ideas of cost savings and rationalisation influenced the focus on PAR Strategy and its implementation. The shift in focus was also steered by the Ministry of Finance which provides technical support to the Council and has a much stronger role in guiding the process compared to the Ministry of the Interior. Also, the influence of the economic crises in 2011 and 2012 has strongly influenced Montenegro and thus the focus of PAR has shifted to issues of rationalisation and the downsizing of the public administration.

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35 ´State Administration Reform in Montenegro - Between ambitious plans and real possibilities', edited by Jovana Marovic, Institute Alternative, Podgorica, (2012), p. 44.
36 SIGMA: Assessment Montenegro, (March 2012), Civil Service and Administrative Law, p. 4.

During 2012 and 2013, a comprehensive plan of the internal reorganisation of the public sector in Montenegro was developed. The Plan envisaged measures and activities relating to the Government, but also to all other public institutions, public companies, state owned enterprises, regulatory authorities and other organisations exercising public authority, as well as the local government. Also, the Pre-Accession Economic Programme 2013 - 2016 defines, as one of the priorities, optimisation of the number of employees in the public sector, reducing the labor costs and better concentration of human, financial and material and technical resources[37]. However, no real results in the optimisation of the number of public servants have materialised yet.

The following table shows the number of bodies of state administration in Montenegro from 1993 to 2012. Today, the system of state administration in Montenegro consists of 54 bodies (16 ministries and 38 other administrative bodies - of which 22 bodies are included within the ministries – with set-up). The figures relate only to state and not to the overall public administration institutions.

Authorities	1992	1993	2004	2009	2011	2012 without authorities in the set-up	2012 with authorities in the set-up	2014
Ministries	14	17	17	17	16	16	16	16
Administrations	-	2	16	17	18	5	19	22
Secretariats	3	3	1	1	1	1	1	2
Institutes	6	6	10	10	11	6	6	6
Directorates	2	4	6	6	6	1	5	6
Agencies	-	2	1	2	2	1	2	2
Total:	25	34	51	53	54	30	49	54

Source: žState Administration Reform in Montenegro - Between ambitious plans and real possibilities', edited by Jovana Marovic, Institute Alternative, Podgorica, (2012), page 24. Source on data for 2014: web site of the Government of Montenegro: www.gov.me/organizacija.

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37 Government of Montenegro: Pre-accession Economic Programme for Montenegro, (2013 – 2016), p. 3.

VII Future plans

As has already been noted, because of the financial and budgetary crisis, the most important segment of PAR in Montenegro has been the idea on cost savings. But, the process of rationalisation of public administration and the downsizing of the number of public institutions and, more importantly, of public servants, was transmitted at ministerial and sectoral level. Each sector (such as public health, education, security, etc.) will develop its own longer-term activity plans to further rationalise and rightsize the number of public servants.

Namely, in July 2013 the Government adopted the Plan for Internal Reorganization of Public Sector. This Plan was produced by inter-sectoral working group established by Ministry of Finance and Council for Regulatory Reform and Improvement of Business Environment[38] The Plan concludes that public sector in Montenegro is fiscally unsustainable, given that salaries in the public sector make up 17% of the GDP.

The Plan recognises the following key challenges of the reorganisation of public administration in Montenegro:
- Establishment of a modern and efficient apparatus that will, with limited resources, productively service the needs of citizens and businesses in Montenegro
- Ensuring fiscal sustainability of the public sector
- Creation of administrative capacity and standards in the process of designing policies that will contribute to improving the quality of life and future economic prosperity
- Increasing the quality of management/leadership and accountability at all levels of public administration
- Providing quality services in education, health and safety
- Building administrative capacity in terms of reaching EU standards, which will facilitate the accession to NATO and the EU[39].

The overall goal of the Plan is the "creation of an efficient, economical and effective public sector, which is based on the best international standards and practices". The specific goals defined by this Plan are: (1) Reducing the number of employees in the public sector; (2) Improving human resources planning; (3) Improving the planning and standardisation policies for earnings in the public sector, in accordance with the fiscal capacity

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38 The working group was composed of representatives from the Office of the Deputy Prime Minister, Ministry of Interior, Ministry of Finance, the Ministry for Information Society and Telecommunications, the Ministry of Justice and Human Resources Authority.
39 Government of Montenegro: Plan for Internal Reorganization of Public Sector, (July 2013), p. 27.

of the economy; and (4) Improving efficiency, productivity and quality improvement services[40].

Reducing the number of employees in public sector, as the most important segment of the plan, is envisaged as a process to be completed in phases with the objective of reducing the number of employees by 10 % by 2017. The responsibility of this process lies with the line ministries, given the number of specificities in various sectors.

The government plans to cover the missing segment of ongoing PAR Strategy – public services and regulatory bodies – with specific analyses in 2014 and an Action Plan for improvement of this segment of public administration.

In January 2014, the Union of Municipalities officially initiated the establishment of a specific Ministry for state administration and local self-governments. The government has not yet officially responded to this initiative. The interviewed officials from the Ministry of Interior, unofficially, explained that the response most probably will be negative.

Bearing in mind the strong focus on a sector-wide approach in the programming of an Instrument for Pre-accession Assistance within the period from 2014-2020 (IPA II) and the recognition of PAR as a unique sector, Montenegro should develop a new PAR strategy which will cover the period until 2020. Two preparatory activities on the successor Strategy will start in autumn 2014 and are set to be finished by the end of 2015. The Government of Montenegro believes that SIGMA will provide important support in this process. This new Strategy for the period from 2016-2020 will be followed by a specific Action Plan which should be the basis for further IPA II support. Namely, the European Commission plans to use a new aid model (Direct Budget Support) for PAR sector in Montenegro and that is why a new and well developed PAR Strategy and its Action Plan are necessary.

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40 Ibid., page 28

VIII Conclusions and recommendations

No.	Recommendation	Timeframe	Responsible institution
Development of the PAR strategy			
1.	The Government should develop comprehensive Methodological guidance for the development of strategic documents with clear roles and tasks related to intra-government and inter-sectoral coordination. Similar Methodological guides should be prepared for policy development, for implementation and monitoring of the strategies/policies.	2014 - 2015	General Secretariat of the Government and Ministry of Interior Ministry of Interior with inter-sectoral coordination group
2.	New PAR Strategy for period 2016-2020 should be developed with a clear methodological guide.	2015	
Institutional set-up			
1.	It is necessary to enhance the capacities of the General directorates for public administration within the Ministry of Interior.	2014 - 2020	Ministry of Interior
2.	It is necessary to provide in-depth analyses of the need to establish the particular Ministry for Public Administration.	2014	Ministry of Interior
Contents of the PAR strategy			
1.	There should be a stronger focus in future PAR Strategy on the capacity development of public institutions, improvement of the quality of public services and management of public bodies.	2016 - 2015	General Secretariat of the Government
2.	Future PAR Strategy should cover more precisely topics related to civil service reform, human resources management, professionalisation and depoliticisation of public servants, as well as the quality of the legal and strategic documents.	2016 - 2015	Ministry of Interior
Implementation arrangements			
1.	The roles of the Ministry of Interior and the Ministry of Finance in development and implementation of PAR strategy should be clarified and resolved,	2014 - 2015	Ministry of Interior, Ministry of Finance and General Secretariat of the Government

Monitoring arrangements		
The Centre of the Government (General Secretariat of the Government) should strengthen its position regarding horizontal policy coordination, planning, monitoring and evaluation.	2014 - 2016	General Secretariat of the Government
For the monitoring and evaluation of the implementation of present PAR Strategy and especially for the development of the new PAR strategy it is necessary that the government establishes an advisory Council which will include representatives of public sector, civil society organisations, and academia.	2014 - 2015	Ministry of Interior and General Secretariat of the Government

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7) Government of Montenegro: Plan for Internal Reorganization of Public Sector, July 2013

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14) SIGMA: Assessment Montenegro 2011

15) SIGMA: Assessment Montenegro, (March 2012), Civil Service and Administrative Law

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Serbia Case

Prepared by:
Vladimir VLAJKOVIC

I Background of the PAR Strategy development

As part of the overall social reforms, in November 2004 the Government of the Republic of Serbia adopted the Strategy of Public Administration Reform (PAR) in the Republic of Serbia with the Action plan for its implementation which covered the period from 2004-2008. Strategic-level management of PAR has been entrusted to the Public Administration Reform Council of the Government of the Republic of Serbia chaired by the Prime Minister, while the Ministry in charge of public administration and local self-government (MPALSG) has taken over the responsibility for the operational level management of PAR, i.e. its implementation in practice. The main objectives of the reform are: the creation of a democratic state based on the rule of law, accountability, transparency, economy and efficiency as well as creation of a citizen-oriented public administration, capable of offering high quality services to the citizens and private sector. The strategy is based on five basic principles of the reform: decentralisation, depolitisation, professionalisation, rationalisation and modernisation of public administration[1]. These principles can be described as the key areas for reform process and their full compliance can be considered as the ultimate goal of PAR, which essentially means creating a "European" public administration in Serbia.

The role and significance of PAR within the process of Serbia's accession to the European Union (EU) gives it a special place on Serbia's EU integration agenda, since public administration is the main carrier of the reforms which need to be undertaken in this process. In the past, key initiatives in the area of public administration reform have been significantly supported by projects which were primarily financed from EU donations. Concrete results of these projects have enabled the achievement of significant effects in the implementation of these initiatives.

Considering the nature of work in the administration and the importance of a strategic approach in the reform process as well as need to ensure continuity and further implementation of the Strategy, the new Action Plan for PAR implementation in the Republic of Serbia for the period 2009–2012, was adopted by the Government in July 2009. Prior to this, the MPALSG has prepared an Overview of the implementation of the Action Plan and Strategy document for the period 2004-2008, which formed the basis for defining the next stage of reform activities. In preparing the overview of PAR outputs, 35 interviews with representatives of various PA bodies and other stakeholders

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1 The principles has been determiined in PAR Strategy and further elaborated in the PAR AP 2004/2008 through concrete activities.

were conducted. Therefore, the new AP 2009–2012 was a result of intensive participation of ministries, special organisations, government services, independent public institutions and established activities in all areas covered by PAR.

During March 2012, the Ministry in charge of public administration[2], together with the support of ongoing IPA 2010 technical assistance projects, prepared another Overview of the realisation of the Action Plan for PAR implementation in the Republic of Serbia for the period from 2009–2012. This comprehensive document contains, *inter alia*, statistical presentation which provides an insight into the general scope of the realisation of the Action Plan, as well as the realisation of its specific parts related to certain areas of PAR.

In January 2014, the Serbian Government adopted new Strategy of PAR in the Republic of Serbia. An integral part of the Strategy will be an Action plan for its implementation for a mid-term period which is still under preparation. The Ministry in charge of public administration coordinated all stakeholders including the support of two ongoing projects financed from IPA 2010, making the best use of all available resources in the development process of the new Strategy. In comparison with the previous PAR Strategy, the new one envisages a much broader scope for the PAR process in accordance with EU standards in this area (by introduction of areas such as public finance management and the fight against corruption, etc.) and commits special attention to the harmonisation of the PAR process with the EU integration process. New PAR Strategy covers a broader field known as public administration – state administration, local self-government and other forms of exercising public authority - while keeping continuity with the previously adopted principles of PAR with a view to incorporating the main reform directions currently outlined in various strategies within one scope of the new PAR.

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2 During last 10 years, in parallel with establishment of the new government, this Ministry has changed its responsibilities and its name. However, responsibility for PAR has always been one of the main responsibilities of this Ministry.

II PAR Strategy environment

2.1. Relevance with other policies/ strategies

The PAR Strategy solutions chiefly rely on the following strategic documents of international relevance:

- The European Partnership in the PAR area stipulates as one of its medium-term priorities to "continue full implementation of civil service and public administration laws, implement measures to develop human resources in the civil service, strengthen the policy-making and coordination capacity of the public administration..."[3].

- The Stabilisation and Association Agreement between the EU and the Republic of Serbia, Article. 114. (Chapter VIII – Cooperation Policies), dedicated to Public Administration, emphasises that the cooperation between EU and Serbia: "shall aim at ensuring the development of an efficient and accountable public administration in Serbia, notably to support rule of law implementation and the proper functioning of the state institutions for the benefit of the entire population of Serbia and the smooth development of the relations between the EU and Serbia. Cooperation in this area will mainly focus on institution building, including the development and implementation of transparent and impartial recruitment procedures, human resources management and career development for the public service, continuous training and the promotion of ethics within the public administration. Cooperation shall cover all levels of public administration...".

- The documents relevant for the PAR in the Republic of Serbia are the European Commission Annual Progress Report on Serbia and the Commission Opinion about Serbia's EU membership application, based on which Serbia was granted 'candidate' status.

- The commitment of the EU to jobs and smart, sustainable, inclusive growth is demonstrated by its 2020 Strategy. It will influence the reform of Public Administration in subtle ways linked to improvements in training

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3 COUNCIL DECISION of 18 February 2008 on the principles, priorities and conditions contained in the European Partnership with Serbia including Kosovo as defined by United Nations Security Council Resolution 1244 of 10 June 1999 and repealing Decision 2006/56/ EC (2008/213/EC).

and education, access to the high speed broadband, improvements in social inclusion, (for example, for youths and the elderly and ethnic minorities). Many of the changes proposed by the EU 2020 Strategy require integrated action among different policy sectors and different actors (public, private and civil society organisations). The PAR strategy will directly contribute to achieving EU 2020 objectives by improving the business environment and functioning of the internal market.

- Activities required for legal approximation are set in the National Program for Adoption of the Acquis in the period 2013–2016 (NPAA). Even though PAR is not presented as a separate Chapter in NPAA, the PAR Strategy makes reference to the European Administrative Space and the necessity of upgrading the capacities of the public administration, as it is aimed at ensuring successful management of negotiations and the harmonisation of legislation. Also, a number of political criteria defined in the structure of NPAA are relevant for the PA, particularly the sections about the Constitution, the National Parliament, the government and the public administration. In that respect, NPAA sets forth some key challenges and the major reform actions under way. Several Chapters of the NPAA discuss the modernisation of administration and the public finance management.

2.2 Sectoral approach

A sectoral approach is defined as a process which aims to broaden government and national ownership over public sector policy and decisions on resource allocation within the sector, thereby increasing the coherence between sector policy, government spending and the achievement of results. Ideally, a sectoral approach involves national authorities preparing National Sector Programmes which strive for the implementation of an entire set of public policies at a given level (generally at a sectoral level but also at a thematic level).

Judgments of whether beneficiary countries are ready to adopt a sectoral approach should be based on seven criteria which collectively provide an assessment of sectoral maturity and are widely recognised as being significant for the successful adoption of sectoral approaches. There are five key criteria which need to be addressed:
1. Well defined national sector policies/strategies
2. Institutional setting, leadership and capacity for implementation of the sector strategy
3. Sector and donor coordination
4. Mid-term budgetary perspectives for sector policy implementation based on sector budget analysis and sector allocations in Mid-Term Expenditure Frameworks (MTEFs)

5. Monitoring of sector policy implementation and in particular the development of Performance Assessment Frameworks (PAFs).

The Serbian PAR Sector is one of the nine sectors identified in the document, ž'National Priorities for International Assistance in the Republic of Serbia 2014-17, with projections until 2020" (NAD – National Assistance Document) and covers a wide range of public sector institutions, together with the executive branch at a central level (ministries, special organisations, and public agencies), autonomous provinces, local government authorities and public utilities and services. Also covered are independent state bodies (e.g. state audit), parliamentary competences, central monetary policy and banking, and the relevant reform aspects concerning anti-corruption, protection of citizens' rights and access to information which is of public importance. The most important horizontal administrative functions are: strategic planning, creation, coordination and implementation of public policies; the management and development of human resources and administrative decision-making. Moreover, the PAR Strategy particularly highlights the importance of the following (additional) horizontal administrative functions: public finance and public procurement, e-Government.

With respect to the sectoral approach, the PAR Strategy of the Republic of Serbia will act as the umbrella strategy of the PAR. Three sub-sectoral strategies will be prepared, based on this Strategy, and these will be designated to the management of public finance, decentralisation and e-Government. These strategies will be used as the basis for developing appropriate action plans with detailed contents and timescales of implementation.

A newly adopted PAR Strategy envisages a broad scope for the PAR process in accordance with EU standards (by introduction of areas such as public finance management and the fight against corruption, etc.) and pays particular attention to the harmonisation of the PAR process with the EU integration process. Also, it envisages a number of concrete measures which should be implemented in different areas of PAR. The Action Plan for PAR strategy implementation is under preparation and will be finalised in the near future.

The new strategy for public administration covers the broader field known as public administration – state administration, local self-government and other forms of exercising public authority, while maintaining continuity with the previously adopted principles of PAR. An attempt is being made to ensure that the main reform directions, currently outlined in various strategies, are brought together within the scope of new PAR Strategy.

The NAD 2014-1017 (with 2020 projections) presents the basic document for applying the sectoral approach and allowing the channelling of available external assistance funds through a comprehensive framework for each sector. The national objective identified in the NAD for this sector is to achieve the standards of ž'Good Governance" by creating efficient, effective, transparent and professional public administration that fits the needs of the citizens and business and contributes to the sustainable social and economic development of Serbia. It indicates that one of the priorities for PAR is the "Enhancement of Efficiency and Effectiveness of Public Administration", aimed at organisational measures to improve the processes within the administration, stepping-up the decentralisation process and reducing the public expenditure for administration, as well as the administrative burden for people and businesses.

The sector lead institution (SLI) for the PAR sector is the Ministry in charge of public administration. Although the sector is extremely diverse by nature, the role of a single institution – the ministry in charge of PA – stems out of its competences in coordinating preparation, implementation and monitoring of the PAR Strategy. As a part of the monitoring mechanism, SLI has the main responsibility of overseeing the fulfilment of roles of other relevant sector institutions in the process of elaborating, implementing, monitoring and reporting on sector policies. To that extent, the SLI guides and manages activities within the sector and has the power to influence decisions, plan and control resources and coordinate all participating institutions in providing inputs to achieve the planned positive medium-to-long term impacts within the sector. The Ministry of Finance leads negotiations on *Acquis Communautaire* related to public finance management covered by corresponding EU legislation on PAR. In relation to international assistance (including EU funds), SLI takes overall management responsibility for the planning, programming, implementation and monitoring of assistance funded sector priorities and measures; and for coordinating the inputs of sector institutions in this regard. However, where the assistance actions are clearly within the mandate of the different line ministries/institutions, the SLI relies substantially on respective line institution in all the practical elements of planning, identification, formulation, contract management, reporting, etc., but maintains its coordinative role on the (PAR) sector level.

A well-functioning **public finance management (PFM) system** should provide the basis for sustainable structural socio-economic reforms. In this sense, the CSP (Country Strategy Paper) explains that the legal basis for a well-functioning public finance management system is generally in place, but its implementation is lagging behind. The CSP also states that there is a need for improvement of a medium-term expenditure framework based on well-founded assumptions and targets. Performance indicators are not widely used. The move to programme-based budgeting is ongoing, but

substantial efforts are needed to promote implementation over the upcoming years. Systems and structures for public internal financial control (PIFC), including internal audit, are largely in place, but practical implementation of the concept of managerial accountability is weak. There is also a need to prepare a PFM action plan, which commits Serbia to address the identified weaknesses in its overall PFM system, especially in policy-based budgeting, public procurement, accounting, internal control systems and external audit. The introduction of programme budgeting is of major importance for the improvement of PFM, as it enables continuous multi-year financing of priority policies, programmes and projects. By the end of 2013, fourteen (14) Serbian institutions had adopted programme-based budgeting, including the SEIO. During 2014, the preparation of institutions for the introduction of programme budgeting will continue, as it is planned for the 2015 budget year, according to the Budget System Law.

The key mechanism for donor coordination in the area of PAR is the Sector Working Group for Public Administration Reform (SWG). This group formally comprises of officially appointed representatives of key public administration bodies, specialised government services and other state bodies which have relevant responsibilities for the implementation of PAR. The SWG's wider composition involves representatives of donors, civil society and other key stakeholders, who are invited to participate in the work of group in specific moments of the development assistance programming and implementation cycle. The SWG meets regularly – at least four times a year but often more frequently - regarding consultations with donors and CSO representatives, programming of development aid, etc. Their task is to ensure inter-ministerial coordination of the relevant institution(s) with regards to planning, programming, monitoring and reporting on development assistance at operational level and improve programming of IPA Funds. The Serbian European Integration Office is responsible for coordination and ensuring the efficient functioning of all activities of the SWG.

III Methodology for PAR Strategy development and overall responsibility

In compliance with international practice, the development process of the new PAR Strategy was implemented as a participatory process with the engagement of a great number of stakeholders from across Serbian society. In other words, confirming original conception of PAR as a process based on mutual learning and linking of numerous experiences and expertise into one synergy, the process of developing PAR Strategy was established through cooperation and interaction of numerous relevant institutions and stakeholders. This is complemented with the undeniably leading role of the Ministry in charge of public administration.

The preparation of the new PAR Strategy was based on data gained through the preparation of the Overview of the realisation of the Action Plan for PAR implementation in the Republic of Serbia for the period 2009 – 2012. As mentioned before, the preparation of the new Strategy was based on a wide consultative process which involved all ministries, a number of other public administration and state bodies and other relevant organisations. The Ministry in charge of public administration coordinated all participants in this process with the technical support of EU funded (IPA 2010) project – "Support to public administration reform".

The inception stage in the strategy development process included the critical task of, presenting to the numerous stakeholders, individuals and institutions the original idea and concept of the Strategy. The concept was presented at a round table discussion chaired by the State Secretary in charge of public administration. The starting point in strategy development was to be found in the existing adopted strategic documents and thereafter built upon to introduce new areas that should be incorporated in the new Strategy. In order to achieve this, and bearing in mind that there is no chapter on this in the *Acquis Communautaire*, the first step was the analysis of the existing sectoral strategies, comparing them with the "Indicative list of core requirements and complementary recommendations for Public Administration Reform (PAR) in candidate countries, potential candidates, and other interested third countries"[4], which provided guidelines on further strategy development process.

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4 Indicative list or core requirements and complementary recommendations for PAR in candidate countries, potential candidates, and other interested third countries, Directorate-General for Personnel and Administration, European Commission (2009).

In the broadest terms, the PAR sector involves a wide range of public sector institutions, including the executive power branch at the central level (ministries, public agencies and special organisations), local government authorities and public utilities. Sector covers the on-going process of PAR in Serbia, i.e. a number of areas related to ensuring effective management and efficient functioning of administration at all administrative levels, financial management and control and other areas that allow undisturbed functioning of public bodies (such as procurement, information management, human resources, e-government and so on). PAR includes areas that are not covered by the responsibilities of public administration bodies, such as the state audit, protection of citizens' rights, ensuring access to public information, as well as issues related to the employment status of civil servants employed in the legislative and judicial branches of power.

The Project Group for implementation of PAR Action plan was established for the first time in 2009 with the purpose of preparing a revised Action plan for the implementation of PAR[5]. The Project Group was re-established in August 2011 (in accordance with the reconfiguration of the Government) with the purpose to facilitate the preparation of new PAR Strategy and Action plan for the forthcoming period. The Project Group is chaired by the Ministry in charge of public administration and is comprised of representatives of all ministries and several relevant specialised Government services and other state bodies.

Beside this, in line with the Act of the Minister in charge for public administration, seven working sub-groups were established with representatives from relevant institutions which are reinforced with one junior and one senior expert engaged within the aforementioned EU-funded project. Each sub-group had between six and eight members and was responsible for a particular area of PAR: public administration, regional development and local self-government, other organisational forms at which the public interests are achieved and public authority performed, public finances and public procurement, e-Government, anti-corruption, control mechanisms, etc. They analysed the current status and achievements in each particular area and identified key challenges as well as the desired status in each area.

A public debate in the form of round table discussion was also initiated in order to receive the feedback to the first draft of the document. This was opened by the Minister in charge for public administration and Head of EU Delegation in Serbia. Numerous experts participated whose expertise corresponded to the identified topics, as well as representatives of the Project working group, representatives of international institutions, CSO and media. All received comments were reflected in a new version of the PAR Strategy.

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5 Action plan 2009/2012 adopted in July 2009,

The participatory and interactive process, with the participation of a great number of stakeholders, the general public and the authorities, was a major challenge in the strategy development process. It was necessary to build the feeling of ownership and dedication to the Strategy which resulted from the participation of a great number of stakeholders: experts, representatives of institutions, relevant ministries, the civil society, local government, the private sector, NGOs, etc.

IV Content of the PAR Strategy

The PAR is a continuing process and represents the critical prerequisite for the effective implementation of reform principles and objectives in all segments of society.

The PAR Strategy in the Republic of Serbia ensures the continuance of initiated reform activities, extending them to the public administration system as well. The key reason for extending the scope of the Strategy from the state to public administration primarily lies in the requirement of ensuring the functional unity and standard quality of activities which discharge specific types of administrative operations and public authorities, irrespective of the entities that perform them (bodies, organisations, institutions).

In respect of its organisation, the public administration consists of the public administrative authorities (ministries, administrative bodies within the ministries and special organisations) and other state authorities performing administrative duties and public authorities. This includes the bodies of Autonomous Provinces and local self-governments, which, regardless of whether they perform their duties as part of their core or delegated activities, essentially perform the same duties as the state or public administration authorities, only in smaller territorial units, with a different type of funding and level of control. The same applies to public agencies, regardless of the territorial units in which they perform their duties. The concept of public administration also includes a variety of independent regulatory bodies with different names, statuses and assignments (commissions, agencies) discharging their administrative duties and public authority either within the core or delegated activities.

More specifically, the institutions, public companies and other organisations defined by the Law on Public Services, perform activities or tasks which primarily ensure the exercise of citizens' rights and meeting their needs with respect to education, science, culture, physical education, student welfare, health care, social security, child welfare, social security, animal health care, public media, postal and telecommunications traffic, energy, roads, utility services and other areas. However, when the importance of continuous quality and performance of these activities for the benefit of all citizens, economy and society in general, require the delegation of certain public powers (primarily legislative and administrative ones), which are governed by the Strategy, primarily in terms of the legal, effective, efficient and economical performance of such public authorities, while the conditions and

manner of providing services to relevant entities remain the subject-matter of other strategies and public policies in specific areas (such as health, culture, energy, etc.). Finally, the public administration also includes other legal and natural persons who are or will be entrusted with public authority by virtue of applicable laws (such as the Chamber of Commerce, stock market, notaries, public legal associations, etc.).

The objective of such an approach is to lay down the foundations of a unique legal regime and system of standards for performing the public administration operations; to align the system of civil servants with the organisation and standardised IT and communication systems, complying with requisite and required specificities with regard to organising and discharging certain public administration duties.

The PAR process will initiate further enhancement of the public administration system in general, particularly across the segments which have not formerly been covered by the appropriate reform process. The reason for this is that the generally adopted standard is currently undergoing changes in terms of the understanding of the position of the public administration in the society, that is, seeing the administration as the service of citizens to be, in general, capable of generating income and offering the required level of services to the citizens.

This phase of reform seeks to upgrade the adopted legal framework and align certain segments of the public administration system with the set principles, the institutional and professional capacity building, and furthermore, to link the PAR process with the process of EU integration, in line with the National Program for Adoption of EU *Acquis Communautaire,* (2013–2016), as one of the key priorities of the Republic of Serbia.

The Government sees the PAR and EI as two interconnected processes. Although there is no appropriate European acquis *communautaire* related to the public administration system in Europe, some EU principles and standards (for example, standards of European administrative law, in particular the European Administrative Space) have been adopted and put in place.

The objective of the PAR is to fully incorporate and apply the above principles of European Administrative Space in the national PA system, in order to reach the ambitious goals set by the PAR.

The principles of European Administrative Space will also be attained through the process of EU accession negotiations with Serbia. The Republic of Serbia is starting the negotiations about its membership in the EU and a part of these negotiations will involve the 'administrative capacities' of PA that will have to allow for applying the EU *Acquis Communautaire*. In order to complete the

adoption of the EU *Acquis Communautaire*, public authorities must conform with EU legislation and have the optimal number of employees who will be able to effectively implement the *Acquis Communautaire* in the national legal system. During the negotiations, the European Commission will evaluate the administrative capacity in almost all areas of public administration in Serbia, after which, Serbia will propose the establishment, supplementation and revision of the administrative capacities of individual bodies to meet the needs of efficient implementation of the EU *Acquis Communautaire*. After the planning phase, in the course of negotiations, the public administration authorities will gradually strengthen the administrative system in order to enable it to efficiently apply the EU *Acquis Communautaire* in different areas, by the end of negotiations. Reaching high standards in applying the EU *Acquis Communautaire* is also complementary to the process of creating an efficient and modern PA system.

4.1. Key principles of PAR

There are certain EU principles and/or standards in the field of public administration and administrative law, including the "best practices" in the operation of the so called European Administrative Space. Adoption and implementation of these standards and principles constitute a great part of the public administration reform process.

The key principles that the Government policy will rely on in this respect are the same as the principles of the European Administrative Space, and include:
- Reliability and Predictability and/or legal certainty
- Openness and Transparency of the administrative system and promotion of the participation of citizens and social entities in the work of the PA
- Accountability of PA bodies
- Efficiency and Effectiveness.

In addition to the specified European principles which form a starting point to be drawn from, any further PAR process in Serbia will rely on the principles which have already been promoted by the previous PAR Strategy, and these are: decentralisation, depoliticisation, professionalisation, rationalisation and modernisation.

4.2. The goals and objectives of PAR

The general objective of the Reform is to ensure the further enhancement of the public administration operations in line with the principles of European Administrative Space; to create the high quality services for citizens,

businesses and the public administration in Serbia that will significantly contribute to the economic stability and improved living standard of the citizens.

Individual PAR Strategy objectives include:
- Improvement of organisational and functional sub-systems of PA
- Introduction of harmonised public service system relying on merits and improvement of HR management
- Enhancement of public finance and public procurement management
- Enhancement of legal certainty and upgrading of business environment and quality of PA services
- Improvements of transparency and ethical and responsible approaches in discharging the PA duties.

These objectives define the key standards of the planned reform measures and activities.

V Implementation arrangements

The PAR Strategy identifies a new institutional and organisational structure for the coordination, monitoring, reporting and evaluation of the implementation process of this Strategy. The coordination of PAR Strategy implementation will be carried out at four levels, with the first and second levels concerning professional coordination, while the third and the fourth levels concerning the political coordination of the PAR process.

Level one

Ministry in charge of the public administration is responsible for coordination of the PAR process. To ensure the successful accomplishment of these tasks and the sustainability of this process, it is necessary to ensure appropriate capacities within the Ministry as well as in all other institutions involved in PAR process through the appointment of one person who will be tasked with monitoring, reporting and evaluating the implementation of PAR Strategy.

Level two

The **Inter-ministerial project group** is tasked with performing the expert coordination and monitoring of PAR Strategy implementation. The duties of this Project Group primarily involve the professional coordination and drafting reports on the implementation of the PAR Strategy. This mechanism will ensure an active involvement of all the relevant state authorities in the process of PAR. The members of the Inter-ministerial Project Group will be the secretaries of the Ministries. The Inter-ministerial Project Group will meet regularly, once in a month, and/or more frequently, were required (at the proposal of the Ministry in charge of public administration).

Level three

The third level represents the **Board of State Secretaries**, as the first level of political coordination of the PAR process. The Board discusses the issues relevant for the PAR. This particularly refers to the issues about which no agreement is reached at the level of experts. Regular sessions of this body are predominantly convened to review the reports about the PAR Strategy implementation and/or the Action Plan. The Board of State Secretaries proposes issues to be discussed at the sessions of the PAR Council.

Level four

The PAR Council has the strategic role of coordinating and managing the reform processes within the public administration. It has been established by

the Decision on forming the Council for the Public Administration Reform, as the central strategic body of the Government responsible for initiating and proposing the measures and actions related to the PAR to the government.

5.1. Monitoring and Evaluation

As determined in the Strategy, the monitoring system is based on the processing of collected data from regular and interim reports. The system that has been used so far, has not been sufficiently supported by the IT system. Instead, it has been predominantly applying the ad hoc and unaligned reporting and monitoring method. It is therefore necessary to develop a complete and efficient monitoring and evaluation system for the outcome of performed activities. This principally implies the introduction of mandatory quarterly/semi-annual reports by all the actors that would be submitted to the competent Ministry. After being processed by the competent Ministry, they are discussed by the Inter-ministerial Project Group and at the meeting of the Board of State Secretaries. Once a year, as a minimum, this is additionally discussed at the meeting of the PAR Council. Should any issues be related to all the public administration bodies, the thematic sessions of the government will also be organised, as necessary, to discuss and make conclusions about particular issues of general importance (while some can be discussed at the regular government sessions).

The reports to be used for establishing the monitoring system of this process include easily understandable graphs and accompanying comments and recommendations. Special enclosure (the Annex) provides details about the implementation of the applicable Action plan and the outcome of the analysis and/or monitoring results. This will be additionally supported by developing and adopting the special Methodology and other instruments (forms, info-systems etc.) for monitoring and evaluating the PAR processes.

Following the collection and processing of data from the regular reports on performed activities, and/or the continuing monitoring process, it is necessary to prepare occasional (but regular and systemic, well-grounded) assessments of the reform implementation, more specifically, the evaluation of this complex process. The internal evaluation of the report should be accompanied with the independent external evaluation through the involvement of renowned educational and other related expert institutions, civil society and independent assurance companies and the relevant international organisations.

The information obtained in the course of monitoring and evaluation processes is used for the planning of corrective activities taken when the PAR Strategy implementation lags behind the planned schedule and anticipated

results, or more specifically, when the planned activities are found to be inconsistent with the set strategic goals.

In order for the competent Ministry to be able to ensure the effective and efficient implementation of these processes, a special unit needs to be established within the Department responsible for the public administration operations, with an adequate number of civil servants possessing the knowledge and skills required for discharging such duties.

5.2. Future plans

Although it was planned that the Action Plan for the implementation of the PAR Strategy in the Republic of Serbia in the period 2014–2016 will be adopted within 60 days as of the effective date of this Strategy, this document is still under preparation.

VI Conclusions and recommendations

6.1. PAR Strategy development

Strong political will, resource and time commitments by all directly or indirectly involved stakeholders are of absolute necessity in order to develop a high quality document. It is important to state that such learnt lessons are fully reflected in the recent process of PAR Strategy development. The main instrument for this was the establishment of specialised working groups (Project Working Group and specialized sub-groups) which involve representatives of all the interested parties in these processes.

Organisation of public consultations processes is another instrument that was often (and so should be) applied in order to achieve the best possible coverage of all the interested parties (LSG units, specialised organisations, etc.). In order to achieve the best possible effects, it is very useful to properly involve and use the technical assistance made available through donor funded projects. A good example is the revision of the PAR strategy in Serbia. Indeed, this should be based on a wide consultative process which involves all ministries, number of other public administration, state bodies and other relevant organisations. The Ministry in charge of public administration should coordinate and lead this process through pre-established Working Groups specialised for particular topics relevant to the PAR.

6.2. Content of the PAR Strategy

In order to achieve the standards of good practice and meet the requirements of the sectoral approach, the minimum requirements relating to the content of the strategy are:
- A detailed and meaningful analysis, to enable solutions which are proposed on the basis of clearly defined problems and their causes
- A clear hierarchy among the priorities, objectives, measures, activities and indicators for their achievement
- Clearly identified priorities, objectives, measures and activities, in order to provide a clear link to the sources of financing
- An action plan with cost estimates and the institutional framework for the implementation, monitoring, evaluation and reporting
- Mechanisms for coordination between the competent authorities.

Unfortunately, most of strategies do not meet the above criteria, as there are no clear guidelines for their development and they are not subject to

detailed analysis before their adoption. One of the possible options to solve the problem of poor quality strategies and their mutual incompatibility is to prepare a methodology for the development of strategies and action plans. The methodology should define the content of the document (e.g. requirement for indicators), the method of preparation (e.g. mandatory participation of civil society) and the timeframe for preparing strategies and action plans, roles and responsibilities during and after preparation, etc.

The NAD identifies nine sectors (such as: justice, home affairs, public administration, competitiveness, energy, environment and climate change, transport, human resources and social development, and agriculture and rural development). In practice, this means that the next task of the Republic of Serbia in the introduction of a sectoral approach is the consolidation of the strategic framework at the sectoral level in a standardised way. In general, the PAR strategy reflects a unique framework that should enable a smooth sectoral channelling of funds from the IPA II.

With regards to a timeframe, the new PAR strategy does not specify any time period. The first PAR Strategy has been produced in 2004 with the relevant AP 2004/2008. After this, it was decided that another PAR Strategy would not be produced, where the new AP 2009/2012 should reflect all relevant PAR requirements. The newly adopted PAR Strategy does not specify any timeframe either. Taking all of this into account, it is recommended that the PAR Strategy should cover the period from 2014-2020, to coordinate the planning system which is applicable in the EU, as well as the dynamics of the negotiation process for accession of Serbia to the EU. On the other hand, AP's could also be mid-term.

6.3. Monitoring and evaluation

Although Serbia is experienced in the development of strategic documents, an adequate monitoring and evaluation system does not exist and this must be built upon sound foundations. Currently, there is reporting within the monitoring and evaluation system, but in practice it boils down to pure information gathering and presentation of implemented activities. What is missing is a system based on indicators, which in practice mean the automatic monitoring of planned activities to achieve results, targets and indicators, and it also includes evaluation (ex-ante, mid-term and ex-post) of the activities undertaken in order to determine their expediency, effects, etc. However, to make this system work in practice, it is necessary to formally introduce the obligation of monitoring and evaluation and to establish an adequate institutional framework.

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ReSPA is an international organisation which has been entrusted with the mission of boosting regional cooperation in the field of public administration in the Western Balkans. As such, ReSPA is a unique historical endeavour, established to support the creation of accountable, effective and professional public administration systems for the Western Balkans on their way to EU accession.

ReSPA seeks to achieve this mission through the organisation and delivery of training activities, high level conferences, networking events, summer schools, study tours and publications, the overall objectives of which are to transfer new knowledge and skills as well as to facilitate the exchange of experiences both within the region and between the region and the EU Member States.

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