1. Basic Information

1.1 Desirée Number: 2002/000-282.09.01
1.2 Title: Quality Improvement of HRD Management within Central Administration
1.3 Sector: Public Administration
1.4 Location: Czech Republic

2. Objectives

2.1 Overall objectives
- Ability to take on EU membership obligations, including adherence to the aims of the political, economic and monetary union; especially: improvement in civil servants' preparedness to join EU.

2.2 Project purpose
- To strengthen capacity of the central public administration in view of EU membership
- To improve the quality of work with human resources at three pilot ministries – Ministry of Labour and Social Affairs (MoLSA), Ministry of Industry and Trade (MoIT), Ministry of Justice (MoJ); at the Section of Organisation, Personnel Management and Training in State Administration – next only CSO (Civil Service Office) of the Government Office and at the Institute for State Administration (ISA)
- To improve the quality, stability of management and quality of services in state administration bodies

2.3 Accession Partnership and NPAA priority
- Accession Partnership (1999)
  - Short-term priorities related to public administration reform:
    - the adoption and implementation of a programme for a public service reform
    - Public Service improvement (adoption of the Civil Service Act)
- NPAA (2001)- in part 4. Administrative Capacity to Apply the Acquis
  - Medium-term objectives:
    - Elaborating organisational rules and norms for each of the public administration authorities on the basis of their activities and organisational structure, using an adequate level of standardisation. This task proceeds from the Programme of Changes in the management of central state administration bodies
    - Human resources development and management; completion of the public servants training programme

It is clear that the priorities identified in the National Programme match very closely with the key objectives of this project.

2.4 Contribution to National Development Plan N/A

2.5 Cross-border Impact N/A

3 Description

3.1 Background and justification
The project concerns the sphere of central state administration authorities, whose staff will be covered by the currently drafted Civil Service Act. The draft highlights the importance of HRMD (Human Resources Management and Development) departments at the various central state bodies and newly defines the role of the CSO. The CSO and the ISA are responsible for dealing with personnel issues and the training of civil servants at the level of the central state administration.

At the same time, analyses executed within previous Phare projects (see 3.2) and assessments of progress in the CR public administration reform make it clear that the current standard of human resources management
in the country’s central state offices still falls short of expectations. Hence, making use of the experience of the private sector with its much higher HRMD standard, and modification of that experience so as to suit the needs of the central offices appears to be the most effective approach.

Consequently, the project proposes to improve the standard of HRMD in the following offices: MoLSA, MoIT, MoJ, CSO and ISA - by taking advantage of well-tried service improvement strategies grounded on the ISO 9000 standard, the EFQM model, or on TQM principles.

Specifically, the project proposes to develop a system of quality management in HRMD departments at the MoLSA, MoIT and MoJ as well as in all departments at the CSO and the ISA.

The concept of the quality management system, based on the terminology of the ISO 9001 standards, comprises better-quality management of HRMD departments, CSO and ISO by means of higher motivation and by defining specific responsibilities of each senior official, by process description and analysis, by drafting and amending procedural regulations, quality manuals and documents, by staff training, and by commencing activities in accordance with the amended regulations and documents including the creation of prerequisites for a systematic improvement of the quality management system. This should enable the HRMD departments to have a bearing on the quality of work performed by other departments in the three pilot ministries and the CSO and ISA which will then be able to offer better-quality services to its clients - the various offices and their staff while, at the same time, requiring services of equal quality from them. This should start a process expected to result in an overall improvement and greater efficiency of the CR state administration.

The project should also yield a draft strategy for the continued introduction of QMS in HRMD departments in other central state administration bodies and for application of TQM principles in management systems of pilot ministries, CSO and ISA.

3.2 Linked activities
There are a number of past and current Phare projects, in which the Government Office is involved or where it has undertaken analysis of the information and results produced, and incorporated the conclusions and recommendations into the compilation of this project fiche.

The Phare project CZ 9703-01-01-03, sub-project "Human Resource Management and Development System for Public Administration", has been accomplished with the following recommendations:
• to set up a civil service Central Training Institute
• to assess the quality of training programmes
• to control the quality of the training system as a whole
• to institute a system of information on training programmes and their quality
• to employ the above proposed methods for training quality rating

The Phare project CZ 9703-01-01-03, sub-project “The Public Administration Reform in Specific Areas”, has been completed. Its purpose was to make a comparative analysis of institutional affairs connected with the organisation of central state administration institutions. Based on EU experience, the analysis helped to provide the conception base for a discussion of the alternative accession for state administration structures and for the benefit of the proposed programme.

The Phare project CZ 9808-01 “Strengthening of Institutional and Administrative Capacity for the Implementation of Acquis Communautaire” has also come to an end with the following recommendations:
• to extend the generic model for the organisation of Czech Government departments so as to cover also other central public administration bodies including the uses of benchmarking as a criterion of their performance
• specific steps for ensuring good-quality ministerial staff training
• to make use of minimum training standards

The Phare twinning project CZ 00-09-01 „Modernisation of the Central State Administration“ is focused on providing support to three target bodies, namely: Ministry of Interior, CSO at the Government Office, and Office for Public Information Systems. A number of activities will be undertaken to improve human resource management, total quality management (barring QMS building in specific departments and bodies), and the management of change; the outputs will undoubtedly be of relevance in terms of generating improved understanding of human resource management, organisational structures and quality of public
services. This project, due to finish in April 2003, will provide timely reference materials.

As for the CSO and ISA, the CZ 00-09-01 project provides expertise and ensures the right kind of approach to CSO and ISA development; these are taken up in the new Phare 2002 project already providing for the development of a separate QMSs for the CSO and ISA (i.e. for the analysis and description of specific procedures, for the drafting of procedural regulations and/or documents, for staff training tailored to particular situations, etc.).

3.3 Results
- Quality management system (QMS) at the Human Resource Management and Development (HRMD) departments of MoLSA, MoIT and MoJ established and certified
- QMS at CSO and ISA established and certified
- Strategies for implementation of Total Quality Management (TQM) principles in management system of pilot ministries, CSO and ISA prepared
- Strategy for the implementation of QMS at HRMD departments in other central state administration bodies prepared

3.4 Activities
The Phare support will be provided via Technical assistance (contract 1, 0.6 M€) and Certification of 5 Quality Management System

- Contract 1
  - Analysis and evaluation of the quality of services provided by HRMD departments of pilot ministries, by CSO and by ISA
  - Comparison EU Member States and Czech Republic in the HRMD departments of state administration bodies, CSO and ISA and recommendation of the most suitable system
  - Proposal of actions for the implementation of QMS at HRMD departments of pilot ministries, at CSO and at ISA and realisation of these actions
  - Preparation of 5 QMS documentation (quality manuals, description of procedures and forms)
  - Training of staff in matters of QMS and quality of service (about 100 officials)
  - Training of internal auditors from pilot ministries, CSO and ISA (about 15 officials)
  - Support of Internal audit of 5 QMS (methodology of ISO 9001 standard)
  - Support for implementation of TQM principles in management systems of pilot ministries, CSO and ISA
  - Drafting a strategy for QMS introduction at HRMD departments in other central state administration bodies
  - Final conference and presentation of project results

- Contract 2
  - Certification of 5 QMSs by external certification authority

4. Institutional Framework

Government Resolution No. 1277 of December 2000 concerning the terms of reference of the central unit for personnel and training activities in public service laid down the competence of the newly established department attached to the Government Office. The department served as a policy-planning, co-ordinating and methodological centre advising central public service bodies in personnel and training affairs and in matters of personnel information systems.

Starting from 1st September 2001, the department was reorganized into what is now the Section of Organization, Personnel Management and Training in State Administration Offices including the Institute for State Administration. At the same time, as part of the decision, the Government enjoined the Minister of Interior to launch, in conjunction with the Minister and Head of the Office of the CR Government, work on the reform of the central public service and to report to the Government on progress in its implementation.

In the educational field, the Government of the CR in its Resolution No. 349 of April 2001 approved the Public Officials Training System. As a result of this approval, competence in the sphere of public servants training was divided between the Government Office and Ministry of Interior. The terms of
reference of the Government Office now include responsibility for the training of members of the staff of ministries and other state administration bodies. The Ministry of Interior continues to be answerable for the control and co-ordination of the training of the staff of regional local government bodies, elected members of local councils, and - until the disbandment of the district offices - their staff, too.

5. Detailed Budget (mil. €)

<table>
<thead>
<tr>
<th>Project Components</th>
<th>Phare Support</th>
<th></th>
<th></th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment Support</td>
<td>Institution Building</td>
<td>Total Phare (=I+IB)</td>
<td>National Co-financing</td>
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<tr>
<td>Contract 1 – technical assistance</td>
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</tr>
<tr>
<td>Contract 2 – certification of 5 QMSs</td>
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<td><strong>Total</strong></td>
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</table>

6. Implementation Arrangements

6.1 Implementing Agency
The CFCU is the Implementing Agency responsible for tendering, contracting and accounting. Responsibility for technical preparation and control will remain with the beneficiary.

Final Beneficiary is the Government Office, Section of Organisation, Personnel Management and Training in State Administration, Nábreží Edvarda Beneše 4, 118 01 Praha 1.
The contact person is Mr Roman Kuruc, tel.: +420 2 2486 2326, fax: +420 2 5753 1968, e-mail: kuruc.roman@vlada.cz

6.2 Twinning
n.a.

6.3 Non-standard aspects
n.a.

6.4 Contracts
service contract 1 – TA 0,6 MEUR
service contract 2 – TA 0,1 MEUR

7. Implementation Schedule
7.1 Start of tendering/call for proposals 1Q/2003
7.2 Start of project activity 3Q/2003
7.3 Project Completion 3Q/2004

8. Equal Opportunity
Equal opportunity principles and practices in ensuring equitable gender participation in the Project will be guaranteed.

9. Environment
N/A

10. Rates of Return
N/A

11. Investment Criteria
N/A

12. Conditionally and Sequencing
The CR Parliament, Senate and President are expected to approve the Civil Service Act in 2002. But all activities described by this project fiche can be implemented even if the adoption of the Civil Service Act is delayed. This is guaranteed by the resolutions of the Czech Government mentioned above in 4. Institutional
framework. Furthermore the project results and recommendations ought to help to draft Czech Government resolution designed to apply those recommendations for use in other central state administration bodies.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for the full duration of the programme
<table>
<thead>
<tr>
<th>Project</th>
<th>Programme number: 2002/000-282.09.01</th>
<th>2002/000-282.09.01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality Improvement of HRD Management within Central Administration</td>
<td>Contracting period expires: 31/10/2004</td>
<td>Disbursement period expires: 31/10/2005</td>
</tr>
<tr>
<td>Total Budget: 0,7 MEUR</td>
<td>Phare contribution: 0,7 MEUR</td>
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</tbody>
</table>

### Overall objective
- Ability to take on the obligation of membership, including adherence to the aims of political, economic and monetary union.

### Project purpose
- To strengthen capacity of the central public administration in view of EU membership
- To improve the quality of work with human resources at 3 ministries – the Ministry of Labour and Social Affairs (MoLSA), the Ministry of Industry and Trade (MoIT), the Ministry of Justice (MoJ), at the Section of Organisation, Personnel Management and Training in State Administration of the Government Office (Civil Service Office - CSO) and at the Institute for State Administration (ISA).
- To improve the quality, stability of management and quality of services in state administration bodies.

### Results
- Quality management systems (QMS) at the Human Resource Management and Development (HRMD) departments of MoLSA, MoIT and MoJ (pilot ministries) have been established and certified.
- QMSs at CSO and ISA have been established and certified.
- Strategies for implementation of Total Quality Management (TQM) principles in management system of pilot ministries, CSO and ISA have been prepared.
- Strategy for the implementation of QMS at HRMD departments of other central state administration bodies by the end of the project.

### Objectively verifiable indicators
- Acknowledgement by the European Commission
- Successful fulfillment of point F2 of priority F - Human Resource Development sector of the National Development Plan of CR. Point F2 says: “Improvement and stabilisation of civil service management with the emphasis laid on transparent and good-quality personnel work in civil service offices”.
- 5 QMSs are established and certified by the end of the project
- 5 QMSs are established and certified by the end of the project
- 5 strategies for implementation of TQM principles in management systems of pilot ministries, CSO and ISA by the end of the project
- 1 strategy for implementation of QMS at HRMD departments of other central state administration bodies by the end of the project.

### Sources of verification
- EC Regular Report
- Annual government evaluation of the National Development Plan
- QMS documentation
- Internal audit reports (accordance ISO 9001) of QMSs
- 5 certificates of QMSs
- Project documentation
- Attendance lists of courses
- Phare monitoring and evaluation reports

### Assumptions
- Other parts of 3rd Copenhagen criteria fulfilled.
- TOP managers (minister and relevance deputy minister) from pilot ministries and from Government Office support this project.
- Directors of HRMD departments in pilot ministries, director of CSO and director of ISA have responsibility to built the QMS.
Annex 1

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Analysis and evaluation of the quality of services provided by HRMD departments of pilot ministries, by CSO and by ISA.</td>
<td><strong>Contract 1:</strong> Technical Assistance – 0,6 MEUR</td>
<td>1. Utilisation of outputs from previous Phare projects:</td>
</tr>
<tr>
<td>• Comparison EU member states and Czech Republic in the HRMD departments of state administration bodies, CSO and ISA and recommendation of the most suitable system.</td>
<td><strong>Contract 2:</strong> certification of 5 QMSs – 0,1 MEUR</td>
<td>• CZ 97-01-01-03 Human Resource Management and Development System for Public Administration</td>
</tr>
<tr>
<td>• Proposed actions for the implementation of QMS at HRMD departments of pilot ministries, at CSO and at ISA and realisation of these actions.</td>
<td></td>
<td>• CZ 9808-01: Strengthening of Institutional and Administrative Capacity for the Implementation of acquis communautaire</td>
</tr>
<tr>
<td>• Preparation of 5 QMS documentation (quality manuals, description of procedures and forms).</td>
<td></td>
<td>• CZ 00-09-01 project Modernisation of Central State Administration – training of CSO and ISA staff in area TQM. As for the CSO and ISA, the CZ 00-09-01 project provides expertise and ensures the right kind of approach to CSO and ISA development; these are taken up in this Phare 2002 project already providing for the development of a separate QMS for the CSO and ISA (i.e., for the analysis and description of specific procedures, for the drafting of procedural regulations and/or documents, for staff training tailored to particular situations, etc.).</td>
</tr>
<tr>
<td>• Training of staff in matters of QMS and quality of service (about 100 officials).</td>
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<td>2. Internal audit will be performed by internal auditors - employees of pilot ministries, CSO and ISA.</td>
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<td>• Training of internal auditors from pilot ministries, CSO and ISA (about 15 officials).</td>
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<tr>
<td>• Certification of 5 QMSs by external certification authority (Contract 2).</td>
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<td>• Support for implementation of TQM principles in management systems of pilot ministries, CSO and ISA.</td>
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<tr>
<td>• Final conference and presentation of project results.</td>
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**Preconditions**

- Human resources of HRMD departments of pilot ministries, CSO and ISA will be at disposal for support of project (about 100 officials).
### Detailed implementation chart

<table>
<thead>
<tr>
<th>Action</th>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
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<tbody>
<tr>
<td>Start of tendering</td>
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<tr>
<td>Elaboration of contract</td>
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<tr>
<td>Approval of contract</td>
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<tr>
<td>Start of project activities</td>
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<tr>
<td>Internal audit</td>
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<tr>
<td>External audit</td>
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<tr>
<td>Project Completion</td>
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CONTRACTING AND DISBURSEMENT SCHEDULE BY QUARTER FOR FULL DURATION OF PROGRAMME

### Cumulative Quarterly Contracting Schedule (mil. €)

<table>
<thead>
<tr>
<th>Project</th>
<th>1Q/02</th>
<th>2Q/02</th>
<th>3Q/02</th>
<th>4Q/02</th>
<th>1Q/03</th>
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### Cumulative Quarterly Disbursement Schedule (mil. €)

<table>
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<tr>
<th>Project</th>
<th>1Q/02</th>
<th>2Q/02</th>
<th>3Q/02</th>
<th>4Q/02</th>
<th>1Q/03</th>
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