COMMISSION DECISION
OF 1998

Establishing the third tranche for the third support programme for improvement in government and management SIGMA III,

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 3906/89 of 18 December 1989 on economic aid to certain countries of Central and Eastern Europe, as last amended by Regulation (EC) No 753/96 of 22 April 1996, and in particular Article 9 thereof,

Whereas Regulation No 3906/89 lays down the rules and conditions for the granting of economic aid to certain countries of Central and Eastern Europe,

Whereas the measures provided for by this Decision are in accordance with the opinion of the Committee on Aid for Economic Restructuring in certain countries of Central and Eastern Europe,

HEREBY DECIDES AS FOLLOWS:

Article 1

The programme described in the Annex to the present decision is hereby adopted.

Article 2

The maximum amount of Community assistance shall be 12 MECU to be financed through Budget line B7-500.

Done in Brussels,

For the Commission
FINANCING PROPOSAL

THIRD SUPPORT PROGRAMME FOR IMPROVEMENT IN GOVERNANCE AND MANAGEMENT
(SIGMA III)

1. IDENTIFICATION

Country: Horizontal (All Phare Beneficiary Countries)
Programme: SIGMA III
Year: 1998
Cost: 12 MECU
Implementing Authority: OECD
Expiry date: 31 December 2000

Sector: AD
Group: O
Budget line: B7-500
Task Manager: Carolyn Leffler-Roth

2. SUMMARY

2.1 SIGMA is a joint initiative of the Commission and OECD. In 1996 it was agreed to earmark a total of 18 MECU for the period 1996 to 1999. To date 12 MECU have been committed, 5 MECU under the 1996 budget and 7 MECU under the 1997 budget. The present Financing Proposal is within this framework and covers the final tranche which has been increased to 12 MECU. To take into account the reorientation of the Phare programme from demand to accession driven and the recommendations of the recent OMAS assessment, a revised Financing Proposal is presented. As far as possible, SIGMA will conform to the new guidelines in the execution of its 1998/2000 programme.

2.2 SIGMA aims to strengthen:

- general management systems of public institutions (policy making and regulation, expenditure management, public procurement, personnel, audit, financial control, administrative oversight)
• government capacities to carry out Institution Building Programmes.

These goals are given high priority in the Commission’s Opinions. They are necessary to ensure that governments have the tools to build sustainable institutions to fulfil the Copenhagen criteria and ensure effective and proper use of Community funding. SIGMA will continue to play a complementary role to National Programmes. There will be a special focus on strengthening Supreme Audit Institutions.

3. **BACKGROUND**

3.1 OECD has a long-standing and well regarded capacity in public management (the Public Management Service or PUMA). The SIGMA Programme was launched as a joint initiative between OECD and EU/Phare in 1992. The aim was to make available to CEECs the expertise gained by OECD in the modernisation of general management systems of public institutions and its experience in technical co-operation in this area.

3.2 SIGMA is mainly financed through Phare (up to 85%, with the remainder coming from OECD general and bilateral contributions). The Commission’s contribution for the first 2 year phase (which covered only 5 countries) amounted to 3.5 MECU. In 1994, it was renewed with 8 MECU for a further 2 years and extended to Albania, Slovenia and the Baltic Republics. In 1996, SIGMA was renewed again under a financing agreement covering 3 years to 1999 with a total allocation of 18 MECU. It was extended to Bosnia-Herzegovina and “the former Yugoslav Republic of Macedonia”.

3.3 The thrust of the Commission’s work in the partner countries is driven by accession. The Commission’s Opinions make it clear that fulfilment of the Copenhagen criteria and adoption of the *acquis communautaire* is more than transposition of law. Partner countries must undertake an urgent, wide-ranging and thorough upgrade of their public institutions. Thirty per cent of Community support will be devoted to this. In its note on “Institution Building”1 the Commission laid out how it intends to approach this challenge. The Commission indicated that a number of mechanisms would be provided to countries, of which SIGMA is one. SIGMA will continue to work on general management systems reoriented to accession priorities and complement National Programmes and other Commission instruments, especially the twinning programme.

3.4 SIGMA was assessed in 1993 by OECD, in 1995/6 by PECAT and in 1997 by OMAS. The Commission and evaluators recognised the quality of SIGMA’s work and confirmed the Programme design. OMAS recommends to reorient the Programme to accession, improve the clarity and logical structure of the financing proposal, to strengthen aspects of project design and management, and improve reporting to the Commission. These recommendations have been addressed in the present proposal.

4. **POLICY ASSESSMENT AND STATUS OF REFORM IN PROGRAMME AREAS**

4.1 SIGMA addresses the *general management systems for public institutions* which are present in all Member States. These systems are *mutually supportive* and vitally important

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1 Information Note on Institution Building
for Governments to formulate policy and deliver services in accordance with standards of probity, efficiency, effectiveness and responsiveness. In Member States, these systems are used to push through programmes of administrative modernisation and should carry the same function for Institution Building in the partner countries.

4.2 As recognised in the Commission’s Opinions, the partner countries are at different stages of modernisation, but aspects of their general management systems are everywhere assessed as requiring strengthening. Reform of these systems is necessary in support of the goal of building sectoral institutions capable of satisfying the Copenhagen criteria and adopting and enforcing the *acquis communautaire*. Concretely, if a government wants to create a veterinary inspection service, it needs to ensure that sound policies and law are prepared, public resources are available to pay for salaries and expenses, appropriate and properly managed staff are in place, the use of resources is controlled, and the interaction with farmers is governed by procedures which prevent corruption and ensure predictability, fairness and certainty. Building such institutions in all the areas of the *acquis communautaire* is a major challenge for which countries will need reinforced Institution Building steering capacities.

4.3 SIGMA groups the general management systems into five sectors. The situation in each is indicated below:

4.3.1 **Institution Building -- Strategies and Management**

Partner countries must build institutions to enforce the *acquis communautaire*. Most *acquis communautaire* services take place in technical ministries, agencies, and decentralised units or are devolved to lower levels of government. However, policy guidelines are needed and general management systems must be adapted to support sectoral reforms. Institution Building Programmes need to be centrally steered and co-ordinated with Finance Ministries, Personnel and European Integration Offices.

The relations between administration, citizens and firms will require careful regulation to ensure that the rule of law is applied and that the administration learns the values of “service to the public”. A central steering capacity can promote responsiveness to users, help reduce “red tape” and burdens on economic actors, play a key co-ordinating role in the fight against corruption and provide organisational resources to institution building at the level of an individual administrative unit.

4.3.2 **Policy-Making, Co-ordination and Regulatory Management**

Adopting the *acquis communautaire* amounts to a major regulatory programme covering internal, social and economic policy. The Opinions highlight weaknesses in systems to formulate policy and regulation, and to manage such a government-wide policy programme. Improvements are needed to interministerial co-ordination and consultation and to mechanisms to ensure policy and law are of sufficient “quality”; i.e. legally sound, consistent, in line with the *acquis communautaire*, economically efficient, implementable and do not open opportunities for arbitrariness and corruption.

Institution Building Programmes will create a need to manage the "machinery of government" (allocating portfolios to ministries, structures and roles of ministries, devolution and decentralisation. In Member States, control of machinery is an important element of the power of the Head of Government. In partner counties, Prime Ministers frequently have
weak machinery powers and often legislatures play a major role thus depriving the executive of necessary flexibility.

4.3.3. **Budgeting, Expenditure Management and Procurement**

The Commission’s Opinions indicate that systems and institutions for budgeting and expenditure management have developed unevenly. Organic budget laws meeting international standards have been passed, but they have little impact unless effective systems and institutions are in place to prepare and implement budgets. The budget process must be given a more central role in policy making and should become the central instrument for taking decisions about the government’s requirements for raising revenue and allocating funds amongst competing requirements.

Few Finance Ministries have been able to achieve the technical skills and dominant position found necessary in EU Member countries. Accounting, cash management and information systems, and analytical capacities for budget preparation and management need strengthening. Governments have difficulty assessing the impact of cuts or plans for building institutions, and of ensuring that expenditures conform to priorities.

Public procurement, which is part of the *acquis communautaire* and a focus of the Commission’s Opinions, needs to be strengthened. Reliable procurement systems are needed to promote competitive market economies, ensure efficiency in the use of public expenditures, fight against corruption and manage aid flows. Institutions, skills, information resources and procedures are needed to put procurement law into practice.

4.3.4. **Management of the Public Service**

A politicised administration based on contractual labour code still prevails *de facto* in most partner countries. Transparent and fair mechanisms supporting a professional and impartial civil service are not yet in place. The Commission’s Opinions highlight the need for a professional public service to achieve accession goals, increase government effectiveness and reduce corruption.

Passing a civil service law is often regarded as the main vehicle to professionalise the public service. This leaves open the specific objectives, management arrangements and implementation strategy. There will normally be several legal regimes in place (judges, uniformed services, etc.). Personnel management must be coherent across the public sector and all staff managed transparently and within the rule of law so as to promote public service values in dealing with elected officials and the public.

Crucial to the whole process are salaries and salary systems. Public services will not become professional if they cannot attract and retain qualified staff. Most countries face hard budget constraints. Governments will have to reduce numbers, re-allocate staff and take politically difficult decisions about pay. Training is also important but is only effective if used in a strategic approach towards professionalisation of public services.

4.3.5 **Financial Control, Audit and Administrative Oversight**

The Commission’s Opinions as well as the European Audit Court have stressed the need to strengthen external audit. Audit is key to generating a professional public sector operating under the rule of law. Countries are starting to create new Audit institutions or modify old control bodies to bring them into line with the standards of the International Organisation of Supreme Audit Institutions. However, there is a need to raise understanding of the role of independent audit and to upgrade capacities. Audit is only part of a larger system of
management controls, including financial control, which must be developed in a strategic and balanced way taking into account the need to secure effective use of national resources as well as EU funds.

Aid to the development of State Audit Institutions must recognise the fundamental principle that they are independent from the Executive, not least financially. Assistance should therefore be channelled through a separate programme.

 Adoption of the acquis communautaire will deepen the relationship between public administration and users. Uneven development of substantive law and enforcement frameworks will place a great burden on general administrative law and oversight mechanisms and expose societies and the concept of rule-of-law to risk. Most countries have, or are drafting, laws to protect citizens and firms, provide redress and control the Executive, but both law and implementation arrangements need review.

4.4 The Commission’s Opinions point out the relevance of the policy areas covered by the Programme. Annex 5 shows, for each country, priorities identified in the Commission’s Opinions in each of the above areas of the Programme. Some of the issues have to be addressed in parallel with the reforms in the Institution Building Programmes, others are prerequisites to successful reform in sectoral areas and to effective delivery and control of Commission support to institution building.

4.5 In order for the countries to achieve the ambitious targets set, the joint efforts of national governments, bilateral assistance, international institutions such as the World Bank and IMF, as well as reinforced collaboration between the Commission and its existing partners (e.g. OECD, the Council of Europe and the European Institute of Public Administration in Maastricht) will be necessary. This co-ordination can best be achieved through strengthened management of Institution Building Programmes in partner countries, which ensures that assistance is targeted to their priorities and which works closely with national aid co-ordinators.

4.6 Experience has shown that countries have much to learn from each other as they move forward. Furthermore, some issues which they face are unique or are not covered by readily available material. There is therefore a general need to ensure networking and information flows within the region, and with Member States and donors.

5. INSTITUTIONAL ASSESSMENT

5.1 The SIGMA Programme targets institutions. The institutional assessment has therefore to address the question of the readiness of governmental institutions in the countries to undertake thorough reform.

5.2 Reforming administration is politically difficult and technically complicated. It provides uncertain political benefits and high political risks. It takes place over a time scale which is far greater than normal political horizons. For change to happen, coalitions of interest are needed, often comprising the Legislature, the Executive, public servants and citizens. Building institutions which can match the performance standards of the Member States will be costly, and most countries are facing tight budget constraints with severe pressures on areas of government which are not part of the acquis communautaire, such as education and health.

5.3 Administrative reform has been part of the Commission’s support programmes for many years. However progress has been less than expected and the Commission’s Opinions imply
that large capacity deficits remain. The incentive of accession and the Commission’s institution building strategy will reinforce the will of national governments to carry out an Institution Building Programme.

5.4 As argued above, reform of general management systems is an essential component of Institution Building. But reform of general management systems is more difficult than strengthening sectoral bodies. They impact on distribution of power inside public institutions, they affect the entire public service, and, with the exception of aspects of financial control and public procurement, general management systems are not covered by the *acquis communautaire* which means pressure can only be indirect. The nature of the central systems implies that assistance in this area must pay attention to building awareness, peer pressure and support for change; these systems are less amenable to technical inputs and the effectiveness of aid in this area is not easily measurable.

6. **PROGRAMME OBJECTIVES**

6.1 The general objective of SIGMA III is: to assist partner countries to build sound, efficient and effective public institutions which will enable them to satisfy the Copenhagen criteria for accession to the European Union, in particular by strengthening general management systems of public institutions and government capacities to design and implement Institution Building Programmes.

6.2 The specific objectives of the SIGMA Programme which necessarily stretch over the next several years, are to establish systems, legal frameworks and management organisations which will provide partner countries with capacities to:

(i) **design and steer national Institution Building Programmes** in harmony with the National Programme for the Adoption of the Acquis; monitor and support their decentralised implementation; ensure sound relations between administrations and citizens and economic agents; and co-ordinate the fight against corruption;

(ii) **develop high quality public policy, law and regulation**, which is of sufficient legal quality and generates efficient, effective, consistent public services with reduced scope for arbitrary decision making and corruption; and able to steer the National Programme for the Adoption of the Acquis.

(iii) **budget and allocate public resources** efficiently with the necessary degree of flexibility within a system of rigorous expenditure management; and provide robust **procurement** services which promote competitive markets and efficient public services, and can handle aid flows at the level of reliability required by donors;

(iv) guarantee professional, competent, impartial **public service** with transparent arrangements to combine administrative skills and political sensitivity;

(v) **audit, control and oversee administration** and its relations with citizens and economic actors to protect the rule of law, reduce corruption, and rapidly take over control functions to ensure proper use of Community financial support.

7. **PROGRAMME DESCRIPTION**

7.1 The principles of SIGMA’s Programme design are to:

- **strengthen general management systems** of public institutions as an efficient and holistic approach to upgrading capacities, especially in preparation for accession
7.2 The Programme uses various delivery mechanisms to achieve its goals:

7.2.1 Consultancy: SIGMA uses a permanent resource of senior professionals which enables it to respond flexibly at a high level of professional quality, and practitioners "borrowed" from national administrations including from partner countries.

7.2.2 Technical Exchange: In addition to the advisory missions carried out by SIGMA staff and practitioners, technical exchange is supported through normal technical assistance mechanisms, which include developing professional networks such as Network of Institutes and Schools of Public Administration (NISPAcee).

7.2.3 Panel Reviews: Panels of experts are used to examine drafts of laws or strategic plans. These result in detailed comments sent specifically to the requesting agency and are generally followed by different forms of technical exchange.

7.2.4 Multi-country work: since the problems are often unprecedented and existing practices in Member States not well documented, joint studies with practitioners and experts are carried out, leading to production of checklists, guides and comparative information, often making use of PUMA analytical frameworks. Examples are a checklist on civil service law, and the description of how financial management systems have adapted to membership of the EU in the last round of enlargement. Multi-country work is used to introduce concepts and serves as a catalyst to stimulate national actions.

7.2.5 Support to National Programmes: Upon request and with the mutual agreement of the Commission and the beneficiary country, SIGMA may participate in evaluation committees for selection of the contractor in charge of implementing a national Phare PAR programme, assist in conception and preparation of Phare-financed national programmes, and contribute to implementing Phare-financed national programmes. To facilitate this cross-fertilisation, the EC will systematically point to SIGMA in Terms of Reference for relevant national and multi-country programmes. SIGMA may help analyse training needs and design training packages which may be implemented by National programmes or by other donors.

7.2.6 Information and Documentation on PAR: SIGMA's aim to maintain PAR on the political agenda is addressed through contacts with Parliaments, the media and interest groups, which are briefed on specific reform initiatives, or supplied with background material. SIGMA uses publications and a newsletter to "stock" information, to encourage public servants to see themselves as members of a professional community, and to disseminate information about
8. OTHER DONORS: ACTIVITIES AND CO-ORDINATION

8.1 Other donors are active in the field of institution building but less so on general management systems of government. The IMF is involved in many countries on budgeting and treasury systems, the World Bank has also worked in these areas and is starting to work on civil service, audit and procurement issues. The Council of Europe provides support to countries on legal issues of reform and on justice. Many bilateral programmes work in these areas but from national perspectives. All donors are involved in training. SIGMA has shown its willingness and commitment to collaborate under the direction of host governments and freely makes available all its publications.

8.2 In an accession driven environment, the Commission and partner countries obviously carry the main burden of donor co-ordination. SIGMA may be asked to participate in this task by sharing information and working with other donors under the direction of the host government. SIGMA may also be asked ad hoc to take on a pro-active role within its specific subject areas.

9. COST AND FINANCING PLAN

9.1 The final tranche of SIGMA III, 12 MECU, is to be financed through Phare under the 1998 budget. This will cover Programme expenditure for activities to be committed and implemented up to the end of 2000.

9.2 The planned breakdown for the 1998 allocation is as follows:

| 1. Institution Building -- Strategies and Management | 2,600,000 ECU |
| 2. Policy-Making, Co-ordination and Regulatory Management | 1,800,000 ECU |
| 3. Budgeting, Expenditure Management and Procurement | 1,800,000 ECU |
| 4. Management of the Public Service | 1,800,000 ECU |
| 5. Financial Control, Audit and Administrative Oversight | 2,200,000 ECU |
| 6. Programme Management | 1,800,000 ECU |

**TOTAL** 12,000,000 ECU

9.3 Expenditure should be made evenly over the programme period. The OECD will provide additional contribution, both in finance and "in kind" (up to approximately 0.5 MECU in total), within the common SIGMA framework. EU/OECD Member States may supply supplementary resources which will be pooled, or assist in the form of consultancy and secondment of public servants. Other resources from National Programmes under direct agreement, as foreseen in the Commission’s note on Institution Building, can be accepted within the Programme.

10. IMPLEMENTATION ARRANGEMENTS
10.1 The OECD will be responsible for the overall implementation of the Programme and central co-ordination and management will be handled by the SIGMA secretariat. The head of the secretariat will be responsible to the head of the PUMA Service and will also report to the SIGMA Liaison Group. The Liaison Group will meet at least once yearly. Core participation will be the representatives from partner countries responsible for public administration reform, representatives of the OECD PUMA Committee and the OECD Secretariat, EC representatives and other significant funders of the Programme. The Liaison Group will review needs, advise on programme content, ensure effective management and report on progress. It will also act as a forum for exchange and development of reform policy and information sharing.

10.2 In designing and implementing its projects, SIGMA will normally act within the framework of a previously agreed orientation which is in most cases driven by accession partnerships. This orientation will be agreed annually with the Commission services and each country individually. Multi-country activities will be agreed with the Commission Task Manager for the Programme and in the SIGMA Liaison group. It is recognised that the rapid evolution of needs in the countries requires that SIGMA be able to respond flexibly. Country orientations may be adjusted as needed during the year, in agreement with the appropriate Commission Task Manager and Institution Building National Contact Point, with whom SIGMA will maintain close links.

10.3 SIGMA will report in summary form on progress achieved every six months in the form used in Annex 3. In addition, information on planned work and missions will be exchanged each month. Frequent contact will be kept with Commission services in Brussels and in Delegations.

10.4 Detailed conditions of implementation will be agreed by the Commission, acting on behalf of the partner countries, with the OECD and established in a form of a Convention. Payments to the OECD will normally be made retrospectively on a 6-monthly basis against a corresponding statement of disbursements.

10.5 Long-term technical assistance, as a general rule, will be selected by open recruitment to be performed in accordance with OECD rules and regulations. In the case of contracts below an estimated value of 50,000 ECU, selection will be made by informal consultation or direct agreement. Given the particular nature of the expertise required (normally seconded or retired public servants) and the importance of co-operation in an OECD framework, the recruitment of certain experts from non-Member States (in accordance with OECD general rules and regulations of staffing) will exceptionally be authorised in the context of the SIGMA Programme.

10.6 Equipment procurement will only concern items of less than 100,000 ECU in value and will be effected as a general rule by open invitation to tender governed by OECD rules and regulations. Supply contracts below 50,000 ECU should follow a procedure of informal consultation with a minimum of 3 offers.
11. **AUDIT, MONITORING AND EVALUATION**

11.1 Financial transactions and financial statements shall be subject to the internal and external auditing procedures laid down in the Financial Regulations, Rules and Directives of the OECD. A copy of the audited financial statements shall be submitted to the Commission by the OECD.

11.2 The OECD shall:

(i) keep financial and accounting documents concerning the activities financed by the European Union, and

(ii) make available to the competent bodies of the European Union, upon request, all relevant financial information, including statements of accounts concerning the Programme, whether they are executed by OECD or by subcontractors.

11.3 In conformity with its Financial Regulations, the European Union may undertake, including on the spot, checks related to the operations financed by the European Union.

11.4 The Commission services, in co-operation with the OECD, will:

(i) monitor the implementation of the Programme on the basis of six-monthly reports on progress achieved (in the form of Annex 3) and monthly activity reports, and also through the meetings of the Liaison Group;

(ii) sign contracts with independent consultants to follow progress of the Programme and its components;

(iii) ensure that an *ex-post* evaluation is carried out after the completion of the Programme.

12. **SPECIAL CONDITIONS**

12.1 OECD via SIGMA, will not get involved in substantive policy related to accession.

13. **ASSUMPTIONS, UNCERTAINTIES AND RISKS**

13.1 Positive feedback from the beneficiary countries as well as the results of the assessment of SIGMA III, 1997 (cf Annex 4) reflect the encouraging performance of the Programme to date. Procedural risks are low, as management and implementation are in the hands of an organisation with strong control systems.

13.2 With regard to information and co-ordination, the assumption is that SIGMA will be provided with the data needed to satisfy the Programme objectives.

13.3 The success of the Programme depends on acceptance by the governments of the beneficiary countries to improve their public administrations and the political will to sustain this effort. Political changes may disrupt activities started and may on occasion result in lost ground in this area.
13.4 The overall effort by the Programme can only be catalytic. It does not possess the financial resources which each government will need to amass for salaries, fixed facility assets and up-grading of human resources (training). SIGMA can help these countries with the development of proper plans and proposals, in attracting additional financing from budgets, bank loans or donor grants.

13.5 Perhaps the most critical risk is related to the continuity of funding through Phare and other sponsors, which is essential to recruit and retain good quality staff and to maintain the investment already made so that the Commission and partner countries can capitalise on the expertise which has been built up.

13. ANNEXES

Annex 1     Logical Framework
Annex 2     Indicative Breakdown of Costs, Commitments and Disbursements
Annex 3     Accomplishments of SIGMA III (1997)
Annex 4     Executive Summary of OMAS report on SIGMA III (1997)
Annex 5     Priority references to SIGMA work areas in the Commission Opinions
SIGMA Financing Proposal ANNEX 1

LOGICAL FRAMEWORK

Project Title: SIGMA III (revised)  
Duration: to end 2000  
Responsible Authority: Jointly OECD and EU  
Tranche: 12 MECU

SUPPORT FOR IMPROVEMENT OF GOVERNANCE AND MANAGEMENT (SIGMA)

<table>
<thead>
<tr>
<th>Wider Objectives</th>
<th>Indicators of Achievements</th>
<th>Source of Verification</th>
<th>Assumptions/Risks</th>
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</thead>
</table>
| Assist Partner countries to make significant progress toward having sound, efficient and effective public institutions which satisfy Copenhagen criteria for EU accession, and are effectively controlled based on the rule of law | Government performance in transposing and implementing the *acquis communautaire* is at a reasonable level (given time frame) and satisfies common Union standards | Assessment by Commission Services  
Input from Phare programmes  
Feedback from Member and partner States  
Available surveys of public service users | Commission supports general management programmes at a satisfactory level  
Partner governments provide sustained commitment and resources to co-operate with the Programme through 2000 |

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<th>Source of Verification</th>
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| Help build general management capacities to:  
  i) design and steer national programs to build institutions  
  ii) develop high quality public policy, law and regulation  
  iii) budget and allocate public resources and manage procurement  
  iv) guarantee professional, impartial public service  
  v) audit, control and oversee administration and its relations with citizens | For each of the five sets of capacity:  
  • step by step reform strategy and implementation capacity in place  
  • first stages of strategy implemented, with focus on legal frameworks, primary system design, allocation of management responsibilities and development of personnel | Assessment by Commission Services  
Input from Phare programmes  
Feedback from Member and Partner States  
Available surveys of public service users and public servants  
Independent assessment and evaluation  
Regular reporting by SIGMA | Commission supports general governance programmes at a satisfactory level  
Mutually supportive co-ordination with other donors especially to enable resources to be made available for upgrading public services  
PUMA and Member States continue to provide professional inputs  
Emphasis sectoral institutional building hinders work on general management concerns  
Partner governments provide sustained commitment and resources to co-operate with the Programme through 2000 |

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<tr>
<th>Results</th>
<th>Indicators of Achievements</th>
<th>Source of Verification</th>
<th>Assumptions/Risks</th>
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| Partner countries equipped with basic elements of effective general management systems able to support their efforts to meet Membership requirements and consolidate their modernisation processes | Priority components of general management systems are set up and are sustainable and work according to professional standards of effectiveness, efficiency, responsiveness and probity | Assessment by Commission Services  
Input from Phare programmes  
Feedback from Member and Partner States  
Available surveys of public service users and public servants  
Independent assessment and evaluation  
Regular reporting by SIGMA | Partner governments provide own resources (including sustained political commitment) to reform general systems of governance  
Sufficiently widespread commitment and understanding to survive electoral cycles |
SIGMA Financing Proposal ANNEX 2

SIGMA III (1998 tranche: 12 MECU)

COMMITMENTS and DISBURSEMENTS

SCHEDULE (in ECU)

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<thead>
<tr>
<th>Commitments and Disbursements Schedule</th>
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