**Project Number:** RO 9804.05

**Sub-programme:** strengthen the institutional and administrative capacity to manage the *acquis*

**Title:** Support the Ministry for Reform in designing and implementing Central Public Administration Reform

**Objectives**

In the pre-accession context of Romania, a realistic and ambitious reform of the public administration needs to be designed and implemented which facilitates and underpins reforms in the legal, policy and organisational sphere. The Civil Servants Status Act is a precondition for substantial progress in this field.

Principles such as the rigid separation of the political and administrative spheres, the creation of a non-political professional civil service, transparency of functions and competencies, the establishment of accountability and financial reporting, monitoring and control standards, decentralisation of functions, promotion of local government, and fiscal decentralisation need to be included in the system.

As a horizontal policy approach, central public administration reform complements sector reforms which are crucial in the context of accession preparations, such as the upgrading of institutional competencies in customs, taxation, financial control, the operation of the judicial system, Justice and Home affairs etc.

The wider objective of the central public administration reform project is to establish an effective and efficient public administration, capable of meeting the administrative standards of the European Union, and implementing and enforcing the *acquis communautaire* effectively.

More specifically, the immediate objectives are:

1. To establish a permanent, independent and competent civil service, on the basis of the Romanian Civil Service Act (yet to be approved by Parliament), to establish the basis for a sustainable and effective central public administration reform through the setting up/strengthening of a civil service training institute, and to develop the necessary policy analysis and planning capacity under the umbrella of the lead ministry responsible for the management of the civil service.

2. To improve the structure and efficiency of Government and Ministries, and to improve co-operation between Ministries at national and local levels, through support for the design and implementation of a consistent reform policy which will improve the overall performance of Public Administration. This will be initiated and prepared centrally by the Ministry for Reform in close co-operation with Government and line Ministries, and will be implemented through Government, Ministries and all other relevant institutions, under the guidance and co-ordination of the Ministry for Reform.

3. To support the Department for European Integration by improving its structure and efficiency in managing the pre-accession strategy. This will be based on its reorganisation, together with a needs assessment, based on the identification of core functions to be performed by the Department.

**Description**

The Phare project will support a consistent implementation of Public Administration Reform by assisting the Directorate for Central Public Administration Reform (Ministry for Reform) in:

1. Defining the legislative framework that has to be adopted for the establishment of a permanent, independent and competent civil service, the administrative preparation of the implementation of such legislation, and the actual implementation of the legislation. The legislation will also cover the issue of a permanent training body for civil servants, taking into account efforts and experience to date. The implementation of the Civil Service Act will be steered by a Central Civil Service Management Agency yet to be established. This will be responsible for drafting the regulations for implementing the new law on the Statute of Civil Servants, and the co-ordination and monitoring of its implementation, with responsibility for further civil service management.

The above will build on the results of previous Phare and other multi- or bi-lateral assistance. and will be based on the NPAA (part 4.1, p 31, of the May 1998 version) where the main issues singled out are the Civil Service Act, the organisation of the structure of Government and Ministries, and Ministerial accountability;
2. Establishing in the Directorate for Public Administration Reform a highly qualified Expert Group of Government officials providing, with high level expertise, guidance and assistance to Ministries in core areas of horizontal Ministerial functions, such as organisation, human resources management, training, budgeting, and cost/benefit analysis of proposed legislation. At the same time, the Expert Group will assist with setting up the necessary co-ordination mechanism for a comprehensive public administration reform.

Supporting by external TA under the Phare project, a consistent GOR programme for Public Administration Reform which will be proposed by the Expert Group. It will be based on a review of the functions of the centre of Government and Ministries, their work and co-ordination, policy preparation and implementation. The Government Programme for Public Administration Reform will comprise the full extent of both horizontal and sectoral reform. Again, this work will build on previous assistance and on the analysis included in the NPAA, to be further elaborated by end September, as foreseen by the Romanian Government.

3. Placing a particular emphasis on the Department for European Integration, by supporting its reform effort which aims at rendering it capable of fulfilling its role in the context of co-ordinating and monitoring the Romanian pre-accession strategy.

Particular issues to be addressed now, in the run up to the reorganisation of the Government structure in September 1998, are:
- the establishment of efficient interfaces between central Government institutions and local authorities,
- the drafting of a coherent and consistent Government Plan for Public Administration Reform,
- setting out the agenda for establishing a defined, regulated, and permanent Civil Service, coherent throughout all Ministries,
- the setting up/reinforcement of a training institution for civil servants,
- the development of a policy analysis and planning mechanism for public administration reform which could be developed in a close link with the training function.

Phare support foresees an integrated package addressing human resources, organisational, and legislative aspects of reform and will aim at developing and implementing the projects described above. 2 MECU will be allocated for support activities such as TA, training and a small equipment supply component; 0.5 MECU will be tentatively allocated to the support of the Department for European Integration, to be further specified on the basis of a needs assessment to be carried out.

**Institutional framework**

Involved institutions are the Ministry of Reform, Secretary General of the Government, the Prime Minister’s Office, the Ministry of Justice, Secretary of State for Local Public Administration, Secretaries General in line Ministries, and the Department for European Integration.

Since April 1998, the Ministry for Reform has taken over responsibility for the central public administration reform again, following two months of the General Secretary’s responsibility for the subject. The institutional construction remains precarious because yet another institutional reorganisation is foreseen for 1 September 1998.

A strong political mandate is indispensable for the success of a comprehensive horizontal reform approach to public administration reform. Therefore, the direct involvement of the Prime Minister needs to be secured. At the same time, the Directorate for Public Administration Reform has to be well developed, based on the recruitment of highly qualified staff. The Directorate is foreseen to take the lead in designing, implementing and co-ordinating the reform. The Directorate should regularly report to the Prime Minister and receive his endorsement for horizontal work programmes drafted by the Directorate.

Further, a Central Civil Service Management Agency is to be established, responsible for drafting the regulations for implementing the new law on the Statute of Civil Servants, the co-ordination and monitoring of its implementation and responsible for further civil service management.

**Budget (in MECU)**
<table>
<thead>
<tr>
<th>Sub-project 1</th>
<th>Investment (IN)</th>
<th>Institution Building (IB)</th>
<th>Total Phare (=IN+IB)</th>
<th>Recipient* (state budget)</th>
<th>IFI*</th>
<th>TOTAL*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MECU 0.5-1.0</td>
<td>MECU 0.5-1.0</td>
<td>MECU 0.5-1.0</td>
<td></td>
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<td>MECU 0.5-1.0</td>
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<tr>
<td>Sub-project 2</td>
<td>MECU 1.5-2.0</td>
<td>MECU 1.5-2.0</td>
<td>MECU 1.5-2.0</td>
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<td>Total</td>
<td>MECU 2.5</td>
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<td>MECU 2.5</td>
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**Implementation arrangements**

The Implementing Authority will be the Directorate for Central Public Administration Reform, currently located under the Ministry of Reform. The Central Financing and Contracting Unit (CFCU) will be the Implementing Agency, responsible, thus, for tendering, contracting, payments and financial reporting. The Project will be managed under DIS rules; consortia must include a Romanian based organisation with experience in local funds administration and documented knowledge of Phare rules and procedures. Open and transparent procedures will be followed for the recruitment of staff.

The core of the project is a long-term expert located at the Directorate of Central Public Administration Reform. The expert will be responsible for preparing specific project elaboration, preparing tendering and contracting documents, and monitoring their implementation. Allocated funds will be contracted under a service procurement contract in line with the new Phare DIS regulation.

**Implementation schedule**

<table>
<thead>
<tr>
<th>Draft Terms of Reference</th>
<th>July 1998</th>
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<tbody>
<tr>
<td>Start of tendering</td>
<td>August 1998</td>
</tr>
<tr>
<td>Contract concluded</td>
<td>December 1998</td>
</tr>
<tr>
<td>Project start</td>
<td>January 1999</td>
</tr>
<tr>
<td>Project completed</td>
<td>June 2000</td>
</tr>
</tbody>
</table>

**Equal opportunity**

The dimension of equal opportunity and gender equality will be integrated into all levels of the project. This will establish a suitable foundation for mainstream gender equality in the future. It will be included in the Terms of Reference of the project as a joint responsibility of the Contractor, and the beneficiary Ministries.

**Conditionality and sequencing**

*Conditionality*

Romania’s capacity for implementing the provisions of the Accession Partnership, in particular its capacity to adopt and apply the acquis communautaire, depends critically on the reinforcement of its institutional and administrative capacity. However, since 1996 there has been no significant progress on Phare supported public administration reform. Promising steps towards more sustainable reform, in particular through the establishment of a Department for Central Public Administration Reform directly under the Prime Minister (end March 1998), were cancelled in April 1998.

Based on the establishment of a high level counterpart structure (the Minister of Reform assisted by an Expert Team consisting of two representatives of each of the Secretary General of the Government, the Ministry of Reform and the Ministry of Justice), the exact competencies of the Directorate for Public Administration Reform, currently located under the Ministry for Reform, should have been clarified by September 1998.

The nomination of a qualified counterpart in the Ministry of Reform and the setting up of the Expert Group has been a precondition for the success of the project. It is crucial that the continued responsibility of the Expert Group remains ensured, irrespective of the future institutional set up decided in the context of the intended reorganisation of the Government in September 1998. The Civil Service Act needs to be adopted
by February 1999 to enable the effective implementation of component 1. Therefore, the allocation of up to 1 MECU is conditional on the adoption of the law within the timeframe set.

Crucial for the effectiveness of the project is the elaboration of a work programme, a coherent Government Plan for Public Administration Reform, describing the full extent of reform, the schedule of reform, outlining its priorities and its needs for legal modification and change.

Clarification of responsibilities in the field of public administration and public administration reform is important concerning the Ministry for Reform as a whole, the Secretary General of the Government, and the Prime Minister’s Office. Short term TA to be made available in the lead up to the launch of the Phare 1998 project will support the Government in setting the basis for reform and advising the Government on the reforms to be taken in September 1998. Specific emphasis will be on the reform and management of the central functions of the Government.

In particular, the Directorate needs to retrieve the competencies as foreseen in the recently revoked Government decision on the establishment of a Department for Central Public Administration Reform. Further, the Directorate should be staffed with at least 12 qualified Government officials/local experts.

**Sequencing**

The Directorate’s immediate work programme, to be taken on board by the Expert Group, comprises:

- Review the structure of the centre of the Government and develop proposals for improving its efficiency in policy preparation, policy making, policy co-ordination, monitoring of policy implementation;
- Elaboration of a draft Government plan on Public Administration Reform covering both horizontal and sectoral reform including proposed priorities and timing for implementation;
- Add to the Government decree on establishing secretary generals in ministries a list of obligatory standard competencies which have to be transferred to this function;
- Draft a Government decree on mandatory standards for the organisation and structure of ministries;
- Develop quality standards for core functions in ministries as human resources development, training, public relations, financial and budget planning, financial control and audit, public procurement, cost assessment for draft legislation;
- Develop a strategy for the training of Civil Servants and the establishment of an institute for the provision of training;
- Draft a first concept on the establishment/strengthening of a Romanian policy analysis and planning institute, under the umbrella of the lead ministry responsible for the continued maintenance and reform of the Romanian civil service. Once the decision has been taken, initial support to the setting up of appropriate structures will be supported under the Phare 1998 project.

On the basis of the Directorate’s structure and job descriptions, the Phare supported Expert Group assisting ministries in their vertical reforms will take the lead in the management and supervision of the reform process. The exact design and phasing of the central public administration reform will be reviewed in the context of the short term TA to be provided by Phare, in particular taking account of the Government reorganisation foreseen for September 1998. Competence for the Civil Service and implementation of the new Civil Service Act will be transferred to a Central Civil Service management Agency. Preferably, the agency should be established in the Secretary General of the Government. The Expert Group will assist the agency in putting the new regulatory framework into practice.

Within the framework set out above as regards support to the Department of European Integration, the exact amount to be allocated to TA will be decided on the basis of the reorganisation of the DEI and the needs assessment carried out subsequently.