

**8TH EU-ALBANIA PUBLIC ADMINISTRATION REFORM (PAR) SPECIAL GROUP
TIRANA, 10TH APRIL 2019**

CONCLUSIONS

Albania will submit follow-up reports on the progress in implementation of the PAR Special Group Conclusions 6 months after the meeting of the Public Administration Reform (PAR) Special Group and prior to the next PAR Special Group meeting.

Strategic Framework of Public Administration Reform and Decentralization

- 1.1 The parties agreed to ensure systematic **monitoring of PAR strategic framework implementation** within the Integrated Policy Management Group (IPMG) on Good Governance. The annual monitoring reports should increasingly focus on results achieved rather than activities implemented and they should be systematically published for all strategies.
- 1.2 The parties agreed that Albanian authorities will improve the functioning of the IPMG on GG and that they will inform the Commission on the calendar of the IPMG meetings and provide regularly the minutes of the meetings.
- 1.3 The parties agreed that Albanian authorities will **update and revise the PAR and PFM strategic framework until 2022** by consulting relevant institutions and civil society organizations. The revised PAR and PFM strategies and Action Plan will be consulted with Commission. The Commission recommended to integrate parallel initiatives, such as the ‘Administration we want’ in the revised action plan and cost them accordingly.
- 1.4 The parties agreed on importance of coordinating implementation of cross-cutting activities under the **PAR and public financial management (PFM) strategies** (i.e. harmonising medium-term budget programme and annual budget with strategic planning; linking Human Resources Management Information System (HRMIS) and payroll) and strengthening of coordination efforts between institutions in charge of implementation of these strategies.
- 1.5 The parties agreed on the importance of **information technology** as part of ongoing public administration and public financial management reform efforts. The Commission underlined the need to finalise ongoing system and database developments and their integration; establish clear assignments of responsibilities and roles within relevant ministries and the National Agency for Information Society and facilitate the functioning of the systems through development of manuals for the end users.
- 1.6 The parties agreed that Albanian authorities will prepare a roadmap on the **restructuring of sub-ordinates agencies**, including a work plan on sectors to be prioritised first. The draft proposal will be consulted with the Commission by 2019.
- 1.7 The parties agreed that Albanian authorities will build on the mid- term review of the **decentralization strategy** and **revise the current strategy** in line with objectives of PAR and PFM strategies until 2022.

- 1.8 The parties agreed that the de-centralisation process needs further advancement, both in terms of legislation and finances in order to have a well-functioning public administration at the local level. To this extent, a Prime Minister's order will empower the Ministry of Interior to coordinate vis-a-vis line ministries their responses to the over 100 recommendations provided in the EU funded study's report 'Matrix of competences'.
- 1.9 The parties agreed that Albanian authorities will further strengthen the Consultative Council, by developing the necessary regulations and provide the tools on improved coordination and consultation on all legislation and policy affecting the local government level.
- 1.10 The parties agreed that the Ministry of Interior will closely monitor and facilitate the full implementation of Council of Minister Decision on institutionalising **EU units in the municipalities** and ensuring they are allocated adequate resources, in particular continuity of staff through their integration in the civil service scheme. The Agency for Local Government Support will perform the coordination of the EU Units, facilitate their communication, including through the on-line platform and manage an annual performance mapping of the municipalities on EU related matters.
- 1.11 The Ministry of Interior will ensure the central government's continued support to roll out of **one stop shops** in all municipalities by end 2019 and by providing a work-plan on digitalising the local archiving.
- 1.12 The Ministry of Economy and Finance will ensure the necessary conditions and processes for municipalities to fulfil their responsibilities regarding **the provisions and procurement of services** as well as to absorb donors' funds and ensure co-financing.

Public Finance Management

- 2.1 The parties agreed that the Albanian authorities will fill all **remaining vacancies**, especially in key functions within the Ministry of Finance and Economy, to enable a smooth implementation of the Public Financial Management reform.
- 2.2 The parties agreed that the **accumulation of new arrears** at both local and central level needs to be addressed by enforcing commitment controls, and that the Ministry of Finance and Economy will monitor and publish a report within four weeks after the end of each quarter for all arrears accumulated and repaid.
- 2.3 The parties agreed that decision making and management processes for **public investments** should be streamlined. Moreover, the gatekeeper and monitoring function of the Ministry of Finance and Economy needs to be strengthened to improve the appraisal process of public investments across government.
- 2.4 The parties agreed that Albania will strive for a strong **domestic revenue mobilisation** through further enhancing its tax administration efficiency and more consistent tax policies. In particular, Albania commits to assess current tax expenditures, i.e. costs of tax exemptions and compliance gaps.
- 2.5 Parties agreed that the secondary legislation on the **law on local finances** will be completed. The Ministry of Economy and Finance will closely monitor the application of the law on local

finances in order to assess the adequacy of resources allocated compared with the level of services municipalities need to deliver. Authorities will ensure transparency and inclusiveness in funds allocation from the Regional Development Fund in view of addressing the most urgent and important needs coming from the local government units.

Policy Coordination and Development

- 3.1 The parties agreed that in order to ensure a credible **integrated planning system**, the underpinning legislation needs to be adopted as a matter of priority together with comprehensive methodological guidance to line ministries. To this effect, the Office of the Prime Minister will ensure that the legislation covers the whole planning cycle and introduces a requirement for publication of government monitoring reports on the key planning documents and sector strategies. A draft of the legal package will be submitted to SIGMA for quality check by [November 2019].
- 3.2 The parties agreed on the need to further enhance **coordination and cooperation** among the key centre of government institutions, especially the Office of the Prime Minister, the Ministry of Finance and Economy, the Ministry of Europe and Foreign Affairs and the Ministry of Justice, in order to ensure a coherent medium-term planning system and coherence among the government planning documents.
- 3.3 The parties agreed that the Office of the Prime Minister will finalise the **internal rulebook on the roles and responsibilities** of its different departments by [end of 2019] in order to improve the Centre of Government planning process and have a more effective quality control function in relation to line ministries.
- 3.4 The parties agreed that the results of **public consultations** should be actively used in decision-making. To this effect, the Office of the Prime Minister will ensure a strong quality control role on the implementation of the Law on Public Notification. It will adopt the methodological guidance and the user manual on public consultation by [end of 2019] and it will monitor that all line ministries launch public consultations through one single electronic platform and that the results of public consultation accompany all draft laws that are submitted for the government approval.
- 3.5 The parties acknowledged the progress made with ensuring a more **evidence-based law-making process** through introduction of regulatory impact assessments. The parties agreed that the Office of the Prime Minister will need to ensure a strong quality control function. It will coordinate with the Ministry of Finance and Economy that budgetary impact analysis is fully aligned to the costing methodology used in budgeting. It will provide training to ministries so that impact assessments are prepared with sufficient time and quality. It will also ensure that regulatory impact assessments are published together with draft laws, for public consultations (starting from January 2019 ongoing).
- 3.6 The parties agreed that the **National Plan for European Integration** (NPEI) needs to become a credible planning document for European integration and it needs to be fully harmonised with other key government planning documents. To this effect, the Ministry of Europe and Foreign Affairs will consistently apply a revised methodology for its development and undertake measures to enhance the quality of implementation and planning in NPEI. NPEI will ensure harmonised costing, realistic planning and assessment

of administrative capacity to implement the foreseen measures in that strategic document. The Ministry of Europe and Foreign Affairs will also regularly monitor implementation of the NPEI and publish the monitoring reports.

- 3.7 Albanian authorities will assess the current sectoral administrative capacities in place in light of the EU accession process in order to fill such gaps for better implementation of EU-related policies and acquis related legislation. The parties agreed that **administrative capacity assessment** should go beyond technical requirements for institutional-set-up and human resources capacity for acquis alignment, and focus also on elements that determine implementability of adopted laws and policies, such as potential institutional overlaps; capacity for administrative data production and use; capacity for inclusive and evidence-based policy and law-making, monitoring, reporting and policy communication, etc.
- 3.8 The parties agreed that the government will finalise the regulatory and methodological framework for the new **European integration co-ordination system** by [December 2019] and ensure that the coordination structures start to meet regularly.

Civil Service and Human Resources Management

- 4.1 The Commission highlighted that the current initiative of **integrating highly qualified young graduates in the civil service**, despite its good intention, is not possible to implement in line with the requirements of the civil service law. The parties agreed to continue with the second round of recruitments only after the Council of Ministers' decision has been accordingly amended. Additionally, the parties agreed that the current Council of Minister decision on temporary recruitments of highly qualified graduates needs to be amended (1) in order not to occupy all entry positions in the civil service as defined in the Annual Recruitment Plan for this initiative first (i.e. usually 1/3 of open positions) but only a part of those (2) align for those positions the Council of Minister's decision with merit principles enshrined in the civil service law by foreseeing a sound competitive and merit based selection procedure for this initiative.
- 4.2 The parties agreed that **harmonization of job descriptions** for Prime Minister's Office and line ministries will be finalized within November 2019 and where necessary the related legislation amended for the central level within the first quarter of 2020. Albanian authorities agreed that the Commissioner for Oversight of Civil Service (COCS), will evaluate job descriptions and job classification for local level within November 2019 and propose legislative amendments in consultation with Department of Public Administration and such would be adopted within 2020. The Albanian authorities agreed to undertake the necessary measures in reducing **the backlog on unenforced decision on unlawfully dismissed** civil servants and public employees.
- 4.3 The parties agreed that in order to ensure comparability of data, there is a need to streamline **administrative data collection** tools and methodologies between DoPA and COCS. 4
- 4.4 The **Human Resource Management Information System (HRMIS)** will continue to be populated with data on public institutions and employees for the local level. The generation of payroll reports through HRMIS will be fulfilled by 2020 and the automatic generation of payroll for civil service will be made operational for most institutions through a new HRMIS module with an extended functionality [within first half of 2020].

- 4.5 The parties agreed on the need to enhance staff and budget resources of the **Commissioner for Oversight of Civil Service** in order to improve its oversight role for implementation of civil service law at the local level, fulfil better verification of unlawful dismissals across public administration, have a greater role in forthcoming local elections (through Monitoring groups). COCS is invited to seek external expertise and support to review their methodology and approach to ensure even greater impact on the civil service reform by efficient monitoring. The parties agreed that the **central and local level** will strengthen **cooperation in HRM** issues by trying to (1) use the already established online system for the application and management of recruitment procedures in further municipalities (2) finalising job description /standardisation (3) methodology for defining the group of positions (3) making better use of the integrated communication and interoperability platform (HUB) in order to Exchange good practices between central and local level.
- 4.6 The parties agreed that the government will allocate sufficient funds for the implementation of the identified training needs and for further upgrade of **Albanian School of Public Administration**'s infrastructure. Given ASPA has developed the new TNA, based on that it will consolidate the training system and increase trainings for the local level in order to ensure that the administrative capacity of local government units can carry out their expanded competences.
- 4.7 The parties agreed to put in place a better performance appraisal system by reviewing the methodology and making the necessary changes and by introducing e-performance appraisal through the HUB. The parties should develop and implement a new policy on salaries for the public administration and civil service aimed at increasing the effectiveness and fairness of the system by harmonising the salary schemes across public institutions including LGU.
- 4.8 The parties agreed to **link HRMIS with pay roll** by: 1) reviewing the joint instruction on form elements completion of payroll payments defining rules of HRMIS system with the aim of reflecting latest changes on payroll; (2) review of HRMIS legal basis for addressing potential issues that could come when payroll will be widely used; (3) review HRMIS infrastructure to be able to support the peak of workload of payroll calculations. Albanian authorities agreed to map and link the two systems of HRMIS and treasury by a deadline set by the responsible institutions (MFE and NAIS) and inform EU Commission on the work plan and further steps.

Accountability and Service Delivery

- 5.1 Parties agreed that Albanian authorities need to improve mechanisms on how to follow up and increase implementation of **Ombudsman recommendations**, by sharing already data on implementation of such recommendations together with follow-up recommendations.
- 5.2 The parties agreed on the importance of improving implementation of the Law on **Right to Information** across all public institutions, including at local level, and on ensuring the extension of the Central Register of Requests and Responses on the Right of Information to further institutions as a matter of priority. The European Commission further invited the Albanian authorities to ensure that liability for non-response to information requests would be borne by Heads of Institutions rather than public information coordinators and that the mandatory transparency programmes would be made progressively more user-friendly.

5.3 The parties agreed on the importance of effective implementation of the **Code of Administrative Procedures** to ensure legal predictability and certainty to citizens and businesses. To this effect, the Ministry of Justice will present a plan of the future activities with special emphasis on the alignment of laws and regulations with the Code of Administrative Procedures with clear deadlines by [June 2019]. The Ministry of Justice will increase efforts to support authorities in implementation of the Code in line with the conclusions of the IPMG on GG Meeting on 29th of March 2019.