



TWINNING PROJECT

Strengthening the Romanian Government's capacity for policy management and
coordination and for decision-making

INTERIM QUARTERLY REPORT No. 1

PARTNERS: State Chancellery of the Republic of Latvia
General Secretariat of the Government of Romania

DATE: 15th March 2006

TWINNING CONTRACT NUMBER:
Romania Phare Project RO2003/IB/OT/ 10
Public Administration Reform

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1. Project data

Twining Contract No.	RO2003/IB/OT/ 10, 2003/005-551.03.03
Project Title:	Strengthening the Romanian Government's capacity for policy management and coordination and for decision-making
Twining partners (MS and BC)	State Chancellery of the Republic of Latvia General Secretariat of the Government of Romania
Report Number	Quarterly Report No. 1
Period covered by the report	01.12.2005 – 01.03.2006
Duration of the project	01.12.2005 – 01.12.2006
Rapporteur	Una Klapkalne Deputy Director of State Chancellery of the Republic of Latvia on Policy Planning and Coordination Affairs State Chancellery of the Republic of Latvia Project Leader Victor Giosan Secretary of State, General Secretariat of the Government of Romania Project Leader

Abbreviations:

CoG	-	Centre of Government
ChPM	-	Chancellery of the Prime-Minister
GSG	-	General Secretariat of the Government
PPU	-	Public Policy Unit of General Secretariat of the Government
PL	-	Project Leader
RA	-	Romanian administration
RIA	-	Regulatory impact assessment
RTA	-	Resident Twining Advisor
STE	-	Short term expert

2. Content

2A BACKGROUND

Policy Developments

The inputs of this Twining Project come as a subsequent development in the public policy making area, which has been the general objective of different initiatives taken both by Romanian central public administration and several international projects. The policy management reform agenda is ambitious and will require a concerted effort of both the whole centre of the Government and of the international assistance projects in this area. Most of the key directions of the reform are set out. They are also reflected in the Twining Contract and project activities - most of the systems are at either the definition stage (like strategic planning) or early implementation (public policy proposals). This means that the recommendations and suggestions of the project are dealing with an ongoing process of change, and that the new experience

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collected in this process by the institutions of Romanian administration has to be combined with the findings and expertise from the project.

The elaboration of Public Policy Proposals (PPP), new procedure

The new procedure regulated by Government Decision No. 775/ 2005 concerning the approval of the Regulation regarding the procedures for designing, implementation and evaluation of public policy at central level has been in force since 1st of January 2006. In the first two months only two PPP's have been submitted to the Government in accordance with the new procedure. In some other cases the task to elaborate the PPP for already drafted normative acts has been given in the Preparatory meeting of the Government. It seems that the level of understanding of the public policy process in line ministries remains low. The positive change is the involvement of the PPU of General Secretariat of the Government (GSG) in the weekly process of preparation of the sessions of the Preparatory meeting and of the Government meeting, which increases the level of understanding of concrete problems in the centre of government. Furthermore, the experience of the first two months shows that the time frames for the entire process of elaboration of proposals and drafts, and consultation are too short and compressed. There are cases when PPP's for already drafted normative acts are prepared in the time of 24 hours. The new procedure does not allow breaking the too close connection of the public policy process with the normative acts, and the thinking process is concentrated on the tasks to prepare a policy proposal for an already drafted normative act, and not on the policy issues generating this act. The findings and recommendations for the public policy process are included in the Assessment Report of the project and in the Concept paper "*On Policy Making, Coordination and Consultation system*", which is in the preparation stage at the time of writing this report.

Institutional competencies of the Centre of Government in public policy management

The proposal regarding the division of functions in public policy management between GSG and ChPM has been prepared with assistance from the Twinning project, has been consulted upon with counterparts, and a new regulation regarding the definition of functions of both institutions of the Centre of Government is under preparation. The detailed description is included in the description of project activities in this Report.

Linking the public policy process with the budget

The initiative regarding program budgeting is developed by the Ministry of Public Finance, with technical assistance by World Bank's project funded with the assistance of the Government of Netherlands. It also has implications on public policy process in the context of budgetary impact assessment and designing of strategic planning system in the future. This project considers a coherent policy formulation process as one of the preconditions for the introduction of public expenditure management (PEM) reform in Romania¹, but project activities are focused on improving budget procedures, templates, and instructions to ensure the linkage between sectoral budget submissions and specific sectoral policies. Until now the lack of a coherent public policy system could be considered as one of the constraints for a full scope introduction of budget reform and of other tools of PEM.

The beginning of the project

The Twinning project was formally notified on 30th November 2005. The project activities started on 5th of December 2006.

The first Steering Committee (SC) meeting was held on the 19th December 2005, the second SC meeting, on 22nd February 2006.

¹ First Report by Martin Johnson of REPIM. World Bank/Dutch Grant, December 2005.

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Project Assumptions

1. Continuous government commitment for improvement of policy management

- Maintaining the Government's interest with a view to improve its working apparatus regarding the policy making process
- Sufficient human and financial resources are allocated to the PPU and PM Chancellery.
- The necessary legislative provisions, administrative arrangements and adequate financial resources are provided to ensure the improvement of the policy making process;

The project activities met the support and commitment of all involved counterparts during the reporting period. There is a general understanding of the necessity to rearrange the functions and procedures at the Centre of Government in a more efficient manner, to focus on essential issues of public policy process, strategic priorities and coordination. At the same time it seems that some of the reforms could be postponed to the next year because of the busy Government agenda in the context of the EU accession process. A more in-depth evaluation of the assumptions regarding this point can be provided in the next quarterly report because project activities during the next period will involve higher level Government officials, and the results in this case are directly dependant on their openness and understanding of public policy issues.

2. Changes in the culture of public administration bodies.

- Improved coordination and communication between central governmental institutions.
- Increased involvement, support and commitment of all ministries and other central authorities and non-governmental bodies for the activities related to the policy making process.

The interviews and communication events of the project endorse the importance of this assumption. Many officials have regarded this as one of the most important problems of Romanian public administration, regarding not only the communication between ministries and other public institutions, but also between the different departments inside ministries, and between ministries and stakeholders and civil society. The findings of the project show that the communication tools are not properly integrated in the public administration procedures, however, this obstacle could be eliminated by implementing the solutions proposed by the project. At the same time, this assumption will remain in force because significant changes of attitudes and culture cannot be achieved in a short period of time.

3. Time constraints

- Time necessary for consultation and adoption of recommendations could not allow achieving measurable improvements in a period of one year.
- Training in improved procedures and legislation could be dependant on the time of acceptance of proposals by the Government.

The assumption will remain in force because the reform process addressed by project activities is definitely for the medium term period. Nevertheless, it seems that the project approach of combining training with elaboration of recommendations – "training by doing" – will to a certain point solve the problem of time constraints. The successful solution of this issue depends on the correct and coherent planning of implementation of public policy reform on the medium term.

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2B ACHIEVEMENT OF MANDATORY RESULTS

COMPONENT 1: COMPETENCE DEFINITION OF THE CENTRE OF GOVERNMENT

Benchmark:

- Assessment report consulted and presented, by month 3

Completed – The Assessment report was accepted by the Steering Committee of the project on 22nd February 2006.

Benchmark:

- Recommendations for improvement of competencies, functions and procedures of institutions of CoG elaborated and consulted by month 3.

Completed – The proposal for division of Role and attributions of the Prime Minister's Chancellery and of the General Secretariat of the Government within the policy formulation and implementation and strategic planning process elaborated, consulted upon, and included in the Assessment report, presented in the Steering Committee of the project on 22nd February 2006. New regulations for functions of GSG and ChPM are under preparation, and the assistance of the project will be provided if necessary.

COMPONENT 2: Capacity building of the Centre of Government

Benchmark:

- Concept paper concerning an improved policy making system approved by GSG, and presented to the Government, by month 6

In process – The preparation of the Concept paper has been carried out in accordance with the project Work plan and time schedule. The structure and main recommendations of the Concept paper have been discussed in workshops and preliminarily consulted upon with counterparts. The detailed description is given in the next section of the report in accordance with activities.

Benchmark:

- Implementation plan for improved policy making system elaborated, approved by GSG, by month 6 - not applicable.

Benchmark:

- 8 members of GSG staff trained in advanced course on policy impact assessment, by month 9 - not applicable.

COMPONENT 3: Improvement of legal bases of policy making

Benchmark:

- Legislative proposals on system functionality and on legislative framework elaborated, consulted, approved by GSG and presented to key stakeholders, by month 10 - not applicable.

The analysis of the normative acts regarding public policy making, consultation, coordination and budgetary process is prepared within the frame of activities of Component 1, and the comparative analysis included in the Assessment Report.

COMPONENT 4: Improve policy planning capacities in the line ministries.

Benchmark

- Evaluation report on pilot policy presented to Steering Committee, by month 4

In process - The policy on introduction of *Young Professionals Scheme* has been selected as a case for the elaboration of a pilot policy in the Ministry of Administration and Interior. The elaboration of the Concept paper has been carried out in several workshops led by Latvian STE's. The pilot policy case is used as a tool for testing the PPP template, and to find out its possible deficiencies. The preparation of pilot policy is expected to be completed in accordance with the project Work plan and time schedule. The detailed description is given in the next section of the report in accordance with project activities.

2C ACTIVITIES IN THE REPORTING PERIOD

COMPONENT 1: COMPETENCE DEFINITION OF CENTRE OF GOVERNMENT

Activity 1.1: An assessment report regarding the structure and functions of the CoG

Time: 5th December 2005 – 22nd February 2006

Latvian STE's - Ugis Sics, Liga Peinberga, Solveiga Lice, Solvita Gulbe

The goal of this activity has been to carry out a comparative analysis of functions and competences of the General Secretariat of the Government, the Chancellery of the Prime Minister, and line ministries, including procedures defined by legislation, and particularly focusing on missing or underdeveloped functions in policy and legislation drafting process and procedures, considering the improvement of quality of decision-making of government.

Action 1.1.1. Meetings – expert interviews with key officials in CoG/ ministries in order to discuss the following issues:

- Functional review
- Institutional competencies
- Procedures (including budgetary process and impact assessment)
- Training needs
- Procedures of document management, control system and agenda setting for government's meetings

Time: 5th – 22nd February 2006

Latvian STE's - Ugis Sics, Liga Peinberga

The project experts conducted interviews and meetings with key officials of GSG, Prime-Minister's Chancellery, 20 ministries (state ministries), and other central institutions (total 36 persons). The timeframe for interviews was extended for January and February in accordance with officials' availability, and with the new issues of concern arising during the process of analysis.

The list of involved officials is given in *Annex 2*.

Action 1.1.2. Analysis of normative regulation for CoG and policy making system

Time: 13th January – 27th February 2006

Latvian STE's – Solveiga Lice, Solvita Gulbe

The analysis of normative regulations of CoG institutions and procedures, including procedures for policy making, impact assessment and budgetary issues regarding strategic planning, was carried out by the STE's together with GSG PPU and Legal Directorate staff. The experts responsible for other activities of the project also participated in the analysis and clarification of issues concerning legal regulations. The translation of the main normative acts was provided in due time and these include:

Laws

- Law No. 90 (March 26, 2001, updated) on Romanian Government and Ministries;
- Law No. 24 (March 27, 2000, republished) on legislative techniques;
- Law No. 73 (November 3, 1993, republished) on Legislative Council;
- Law No. 500 (July 11, 2002) on public finances;
- Law No. 52 (2003) on the transparency of the decision making process;
- Law No. 188 (December 8, 1999) "The statute of civil servants"

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Government Decisions

- Government Decision No. 50 (January 13, 2005) on Government procedures for drafting, endorsement and submission of draft normative acts;
- Government Decision No. 775 (July 14, 2005) on drafting, implementation and evaluation of public policy at central level;
- Government Decision No. 750 (July 14, 2005) on standing inter-ministerial councils;
- Government Decision No. 117 (2005) regarding the establishment of permanent inter-ministerial councils;
- Government Decision regarding the organization and development of civil servants career.

Prime Ministers' Decision

- Decision of the Prime Minister of the Government of Romania concerning the organisation and the functioning of Prime Ministers' Chancellery.

The analysis of normative acts regarding public policy making, consultation, coordination, and budgetary process was prepared, and the comparative analysis included in the Assessment Report.

Action 1.1.3. Consultation meetings on the Assessment report

Time: 23rd – 27th January 2006

Latvian STE's - Ugis Sics, Solveiga Lice, Solvita Gulbe, Ivars Mekons

RA – 60 persons from GSG, Prime-Minister's Chancellery, ministries

Three one-day consultation workshops were organized for the main sections of the Assessment Report – Institutional review of CoG institutions, Policy making process and strategic planning, Consultation and coordination procedures of draft policy proposals and legislation. After consultations, opinions were summarized, situation analyses specified, and final conclusions and recommendations prepared for the Assessment report.

Summary of the implementation of Activity 1.1:

An assessment report regarding the structure and functions of the CoG

The Assessment report was prepared on the basis of 36 interviews with different officials from CoG institutions, line ministries, and some of the subordinated agencies. The initial findings of the Assessment report were discussed with PPU of GSG, and the report was developed for further consultation. The main conclusions and recommendations of the Assessment Report consider following main issues:

- **Public Policy Planning**
- **Legislative Drafting in relation to the public policy process**
- **Strategic Planning**
- **Policy management competencies and functions of the general secretariat of the Government and the Chancellery of the Prime Minister**
- **Training in public policy management**

The analyses of the normative acts regarding the procedures of preparation, endorsement, and acceptance of public policies and draft normative acts were conducted by experts from the State Chancellery of Latvia. The comparative table of analyses of normative acts was also prepared and included in the Assessment report.

The preliminary conclusions and recommendations of the report were discussed during the conference on "*Public policy development – experiences, challenges, risks?*" during 19 – 20 January 2006 (Component 2), as well as during three especially organized workshop sessions with representatives of all institutions involved. The recommendations of the Assessment Report serve as a basis for the following elaboration of proposals for the Concept paper "*On the Establishment of the Policy Making, Coordination and Consultation System*" during next project activities.

The recommendations of the Assessment Report are attached to this report as *Annex 1*.

COMPONENT 2: CAPACITY BUILDING IN THE CENTRE OF GOVERNMENT

Activity 2.1.: Draft Concept for a revised policy making system in Romanian Government.

Time: 6th February – 28th April 2006

Latvian STE's - Ugis Sics, Una Klapkalne, Gunta Veismane, Elita Ektermane, Liga Peinberga, Ivars Mekons, Inguna Sudraba, Solvita Gulbe, Martins Krievins

Finnish STE's - Sirpa Kekkonen, Markku Harrinvirta

UK STE - Eric Arnold

The goal of the activity is to develop a conceptual proposal on the improvement of the policy making and coordination system in central governmental institutions. The necessity to implement the proposed improvements by a Government decision has to be particularly emphasised because it seems to be one of the reasons of failure of previous efforts to make the system more effective. Conceptual proposals will be based on the conclusions and recommendations of the Assessment report, and of the report on elaboration of pilot policies (Component 1). Conceptual proposals shall be discussed by all counterparts and proposed for Government's approval in the form of a policy proposal. The Concept paper will include the main steps for implementing the new system regarding:

- 1) Institutional framework for policy making
- 2) Institutional competencies
- 3) Procedures (including budgetary issues regarding strategic planning)
- 4) Strategic planning
- 5) Policy cycle, types of policy documents, structure and content of policy documents
- 6) Impact assessment, performance measurement, indicators

After the acceptance of the Concept paper, the implementation plan for the specific steps to be taken by the Romanian Government institutions will be drafted.

At the time of writing this report Activity 2.1 is ongoing, and the following actions have been performed as per the project work plan:

Action 2.1.1. Study visit to the State Chancellery of Latvia

Time: 29th January – 5th February 2006

Staff of the Latvian State Chancellery, Ministry of Finance, Ministry of Economics, and Ministry of Culture

RA participants - 19 persons from GSG, ChPM, and line ministries (Ministry of Public Finance, Ministry of Education and Research, Ministry of Justice, Ministry of Labour).

The goal of the study visit was to exchange experience on the organizing of the government's work, measures for improvement of quality of government's decision making, policy coordination and consultation system. The study visit to the State Chancellery of Latvia introduced the Romanian delegates with the Latvian experience of creating and using procedures for government's work, including information systems and data bases used for better decision making, information of society, and consultation. Participants also attended meetings with Ministry of Finance and Ministry of Economics representatives. The strategic plans elaborated by several Latvian ministries were also presented. Furthermore, the agenda included a team building training session and an introduction of Romanian delegates to the organizational arrangements of the Centre of Government's activity by participating in the annual conference of the State Chancellery. All reference materials of the study visit were disseminated to participants. The findings of the visit were discussed by participants, and presented to the project team.

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Action 2.1.2. Conference on the policy making system

Time: 19th – 20th January 2006

Latvian STE's Ugis Sics, Gunta Veismane, Elita Ektermane, Ivars Mekons, Inguna Sudraba,

Latvian Una Klapkalne, RTA Baiba Petersone

Finnish STE's Sirpa Kekkonen, Markku Harrinvirta,

UK STE Eric Arnolds

RA reporters – Delegate Minister for GSG Mihai A.Voicu, Head of Prim-Minister's Chancellery

Aleodor Francu, State Secretary of GSG Victor Giosan, Head of Legal Directorate of GSG Nicolae

Iliuta, PPU of GSG Dragos Dinu, Florin Bondar

RA participants - 70 persons from GSG, ChPM, ministries, universities and research institutions.

The goal of the two-day conference was to present the experience on policy making system in Latvia, UK, and Finland to a wider circle of officials from Romanian government institutions in order to provide better understanding of the objectives and sense of reforms, to build a common understanding on the sense of efforts necessary for implementing effective policy making and impact assessment systems. Presentations were made by Latvian, UK, and Finnish experts, and by representatives of Romanian governmental institutions. The conference served as the opening event for the project as well as an introductory session to the public policy process issues covered by project activities.

Action 2.1.3. Development of conceptual framework for institutional mechanisms and competencies

Time: 6th – 10th February 2006

Latvian STE's Ugis Sics, Elita Ektermane, Liga Peinberga, RTA Baiba Petersone

RA – 10 representatives from GSG and ChPM

The functional analysis of the competencies of General Secretariat of the Government and Chancellery of the Prime Minister was prepared as one of the sections in the Assessment Report. Three workshops were organized for more detailed discussions on issues regarding the role and attributions of the Prime Minister's Chancellery and of the General Secretariat of the Government within the policy formulation and implementation and strategic planning process. The revision of competencies was divided in two stages.

The short term solution, accepted by counterparts, regarding the responsibility within the policy formulation and implementation and strategic planning process includes the following:

1. Public policy formulation to be done at ministry level.
2. Public policy proposal assessment and conformity note, according to GD 775/2005 to be done at the General Secretariat of the Government, through the Public Policy Unit.
3. Methodological support for line ministries regarding the policy formulation system to be done by the General Secretariat of the Government
4. The establishment of the system for defining Government priorities and for the coordination of the public policies with priorities and strategies to be done by the ChPM in cooperation with the GSG as the working apparatus of the Strategic Planning Council.
5. Ad hoc advice to the Prime Minister regarding the issues on the Government agenda to be done by the Chancellery of the Prime Minister.
6. Political evaluation on the implementation of the Government Program to be done by the Chancellery of the Prime Minister.

For long term solutions, the Concept paper includes the following 2 main issues for further discussions:

1. The rationale for the division of the Centre of Government in two different institutions.
2. The necessity to revise the number and functions of more than 30 agencies, which are supervised by ChPM and GSG.

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Although the issue about agencies is not directly connected to the public policy process, it seems necessary to stress that the concentration of sectoral competencies in the centre of government leads to unfeasible use of resources, which could be used for more substantial responsibilities of the centre of government.

The concept paper on division of functions was prepared and presented to the representatives of ChPM and GSG. Counterparts agreed the formulation of functions for short-term solution and also expressed the readiness to return to the further discussion for long-term solution. The further steps regarding institutional division of functions are elaboration of new normative regulation for mandate of the GSG and the ChPM.

Action 2.1.4. Workshop on development of a conceptual framework for the policy making system

Time: 23rd – 24th February 2006

Latvian STE's Ugis Sics, Martins Krievins, PL Una Klapkalne, RTA Baiba Petersone

RA - 25 representatives from GSG, ChPM, Ministry of Justice, Ministry of Public Finance, Ministry of European Integration, Ministry of Transport, Ministry of Environment, Ministry of Administration and Interior, Ministry of Culture, Ministry of Health, Ministry of Education and Research, Ministry of Labour, Ministry of Agriculture

The two-day workshop on the policy making system (policy cycle, types of policy documents, structure and content of policy documents) was devoted to the elaboration of relevant parts of the Concept paper on Public policy making, consultation and coordination. The workshop was organized as an interactive event with experts' presentations and brainstorming activities to discuss problems relating to the policy-making system and procedures. The results of the workshop discussions were summarized, and will serve as a basis for writing the section on policy-making system (policy cycle, types of policy documents, structure and content of policy documents) of the Concept paper. A general agreement on types of policy documents and their structure as well as the necessary improvements in the consultation procedures was achieved. The involvement of participants has increased the understanding about the necessary improvements in the public policy process and government procedures.

Action 2.1.5. Workshop on budgetary impact of policies and strategic planning system

Time: 27th – 28th February 2006

Latvian STE's Ugis Sics, Martins Krievins, PL Una Klapkalne, RTA Baiba Petersone

RA - 25 representatives from GSG, ChPM, Ministry of Justice, Ministry of Public Finance, Ministry of European Integration, Ministry of Transport, Ministry of Environment, Ministry of Administration and Interior, Ministry of Culture, Ministry of Health, Ministry of Education and Research, Ministry of Labour, Ministry of Agriculture

A two-day workshop was organized on the development of a conceptual framework for linking the policy making and budgetary process, and the strategic planning system for the Concept paper on Public policy making, consultation and coordination. The workshop was prepared and facilitated by the STE's and RTA. The workshop was organized as an interactive event with experts' presentations and brainstorming activities to discuss problems regarding budgetary issues of the policy making and strategic planning process, and the possible development of a strategic planning system in public administration of Romania. The results of the workshop discussions was summarized and will serve as a basis for writing the section on budgetary issues regarding financial impact analysis of public policies and strategic planning system of the Concept paper. The involvement of participants has increased the understanding about the necessary improvements in the linkage of the budget process and the strategic planning system.

COMPONENT 4. IMPROVE POLICY PLANNING CAPACITIES IN THE LINE MINISTRIES

Activity 4.1: Approval of a new regulation for policy making system accepted by Government

Time: 23rd – 31st March 2006

Latvian STE's Karlis Smits, Sigita Puspure, Sanita Vasiljeva, Kaspars Berzins

The Government's Decision concerning the procedures for the policy making system has been in force since 1st January 2006. This Decision partly defines a set of necessary elements for policy design, others, however, are missing. In order to provide a better understanding of further improvement of the system, and to develop necessary skills in the Public Policy Units of ministries, one pilot policy for a definite policy problem was selected, and a policy paper prepared with the assistance of respective specialists from Latvian ministries. The analyses of other policy papers prepared by government institutions will be consulted upon.

Action 4.1.1. Two-day introductory training session for pilot ministry on policy drafting and impact assessment methodology.

Time: 23rd – 27th January 2006

Latvian STE's Karlis Smits, Sigita Puspure, Sanita Vasiljeva, Kaspars Berzins

RA - 17 representatives from Ministry of Administration and Interior, National Agency of Civil Servants, National Institute of Administration, PPU of GSG

The policy issue for the pilot policy was selected after consultations with GSG, Ministry of Administration and Interior, and "Young Professionals Scheme" Phare project team. The introductory training for the group of officials involved in the preparation of the pilot policy was held in three sessions. The training sessions included an introductory course in policy drafting issues – problem analyses, collection and classification of problems, designing a problem tree, analyses of cause – effect chains. The tools were used in brainstorming sessions with the participants, and the first policy analyses material for the policy paper "*Elimination of design deficiencies of Young Professional Scheme*" was prepared.

Action 4.1.2. Drafting of the policy paper – meetings with the pilot ministry

Time: 13th – 17th February 2006

Latvian STE's Karlis Smits, Sigita Puspure, Sanita Vasiljeva, Kaspars Berzins

RA - 5 representatives from Ministry of Administration and Interior, National Institute of Administration, PPU of General Secretariat of the Government

Three sessions for the working group on the pilot policy were organized. The STE's assistance was provided for searching and defining alternatives, structuring policy document, and selecting methods for ex-ante evaluation of each alternative. The evaluation of Public Policy Proposal Template (defined by Government Decision no. 775) by application to the pilot policy material shows that it is necessary to improve the definition of structure of objectives and stakeholders in the Template. It also shows the problems of application of the template to more sophisticated cases of policy analyses. The workshop recommendations include issues regarding the PPP format, definition of several sections, and also conclusions regarding the necessity to define other types of policy documents.

The Final report on the preparation of the Pilot Policy on "*Elimination of design deficiencies of Young Professional Scheme*" will be prepared in the next session of this Action during 20th – 24th March 2006. The recommendations will be included in the Concept paper that will be elaborated within Component 2 of the project. The impact assessment of the alternatives and the information collected for the development of the pilot policy will be used in the case studies of Romanian public policy for the handbook on impact assessment, which is one of the outputs of Component 4 of the project.

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2D. TIMING AND DELAYS

Adherence to time schedule

Project Month	D	J	F	M	A	M	J	JL	A	S	O	N
Component 1 Competence definition of centre of Government												
Activity 1.1 Assessment report	X	X										
Component 2 Capacity building of Centre of Government												
Activity 2.1 Concept paper		X	X									
Activity 2.2. Training for Ministers and General secretaries												
Component 3 Improvement of legal basis for policy making												
Activity 3.1 Draft legislation												
Component 4 Improve policy planning capacities in the line ministries												
Activity 4.1 Pilot policy		X	X									
Activity 4.2 Impact handbook		X	X									
Activity 4.3 Training for GSG and ministries												

 Activities planned

 Activities performed

Project activities have been implemented in the required timeframe and in the accordance with the work plan of the Twinning contract. There is no delay in the schedule of the reporting period.

2E. ASSESSMENT

Overall Assessment of progress

Overall objective:

Contribute to the development of decision-making and policy management of the Government of Romania, leading to more predictable and better-coordinated policies, stronger links between policy priorities and the budget, stronger regulation and rule of law and reinforced policy development, coordination, implementation, and monitoring.

1. Situation analysis. The main essential progress of the first three months of the project is the elaboration of an in-depth situation analysis of the Government public policy process, including functional roles of institutions, procedures and capacity of main actors involved. The Assessment report prepared by the completion of Component 1 of the project identifies the scope of problems and the gaps that have to be addressed by following activities. Among these, the most important ones are:

- insufficient communication and consultation within public administration institutions, and between them and other stakeholders;
- inefficient procedures for preparing public policies and drafting legal acts; the regulation is fragmented and does not cover all necessary steps of the process;
- reduced role of professional civil servants (in the wide sense) in the public policy process.

Among the consequences of the above-mentioned problems, are the lack of capacity in public policy making, the fact that the policy process is dominated by a legislative approach, an unclear linkage with budget process - issues that are also within the scope of interest of the next steps of the project.

2. Definition of possible solutions. The findings of the situation analysis serve as a basis for the elaboration of proposed solutions and next steps in the design of public policy process reform that will be included in the policy paper "*On Establishment of the Policy Making, Coordination, and Consultation System*" (Component 2). The essential recommendations have been discussed and agreed upon during several workshops and brainstorming sessions. The main issues addressed by the policy paper will be:

- Tools ensuring good policy making;
- Linkage between policy making and budget preparation processes;
- Development of the strategic planning system;
- Consultation and coordination procedures;
- Ensuring the implementation of policy making system.

3. Institutional competences of the Centre of Government. Responding to the evaluation regarding insufficient clarity of the functions of GSG and ChPM in the public policy process, addressed by EC 2005 Comprehensive Monitoring Report on Romania (Brussels, 25 October 2005), the conceptual proposals on the division of functions has been prepared together with counterparts, consulted upon, and an agreement has been reached (Component 2). The conceptual framework of functions for short and long term perspective is included in the Concept paper. On the basis of this, a new regulation of institutional competencies is under elaboration.

4. Consultation and communication. One of the most important achievement during the reporting period could be considered the positive impact of the communication and coordination activities conducted by the project (Components 1, 2, 4). The opening conference, the study visit to State Chancellery of Latvia, the seminars and workshops (11 altogether) with active involvement of representatives from the Centre of Government and line ministries have had a supportive role in the creation of a common understanding of necessary changes and improvements regarding the public policy process, and have showed in practical

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experience the benefits of properly structured and organized communication events. It can be considered that there is an emerging a team of officials involved in the public policy process, endowed with motivation and understanding of reforms. At the same time, it is the challenge of the project to widen this circle of professionals and to put the reform into a planned and regular step-by-step improvement process.

Issues

The project implementation meets the full support of counterparts and there is no problem identified in the cooperation of the partners.

Section 3: Expenditures

Total figure of disbursement in the reporting period for key groups of costs

The detailed situation of Project expenditure during the reporting period is given in *Annex 3 'Total figure of disbursement in the reporting period for key groups of costs'*.

Annexes:

- Annex 1: Assessment Report recommendations*
- Annex 2: Overview of project activities and interviews with Romanian public administration officials*
- Annex 3: Total figure of disbursement in the reporting period for key groups of cost.*

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