A new approach to

**Sector Policy Co-ordination**

SEA with GIZ “Support to the Secretariat for European Affairs” project team

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# Background

The purpose of this document is to outline the Sector Policy Co-ordination Framework (SPCF)[[1]](#footnote-2)in Macedonia in line with the requirements of the Sector approach as defined by European Commission

The IPA II regulation (No 231/2014) and the IPA II Framework Agreement between the EU and Macedonia (Official Journal of the Republic of Macedonia No. 99 from 16.06.2015) place high importance on the co-ordination of policies, strategies and funding within the sectors identified with the indicative Country Strategy paper. IPA II clearly focuses on “programme-based approach” and “sector wide approach”, the objective of which is to provide a multi-annual, strategic framework for the programming of the EU assistance in line with the country priorities. This is a marked change from the predominantly project-based programming of earlier years. Where the transition is successful, more flexible implementation formats – such as multi-annual operational programmes and sector budget support, can be employed.

It should be noted that this approach complies with the opinion of OECD and other donors urging foreign assistance to be put in line with national (sector) strategies, in a co-ordinated long-term perspective, based on regular exchanges between donors and beneficiaries[[2]](#footnote-3).

Therefore, the current document establishes a single framework for coordination of the IPA interventions with the national policies, with the ultimate objective for effective management of the reform processes and the resources.

The SPCF represents a simplification of the co-ordination structure. Without changing the overall mandate, the number of operational mechanisms is kept to a minimum. Instead of having several layers of bodies with similar and even “mirroring” mandates, it proposes fewer levels with a flexible participation of senior vs. medium-level managers, as the agenda requires.

# Parallel aspects of Sector Co-ordination

The sector policy co-ordination framework needs to be discussed from different, yet strongly interlinked perspectives:

* The co-ordination of the programming and implementation under IPA;
* The EU integration process and the negotiation structure and organisation;
* The overall co-ordination of donor assistance;
* Formulation and implementation of the national policy in a wider context, including the link of the national policy to the sector budgets and national funds.

The integrated approach to these perspectives as well as the need to optimise the use of resources and streamline the decision-making process passes through the establishment of one sector working group (SWG) per sector. Thus 7 SWG are established which operate under a common coordination framework (this present document). Each sector working group is at the same time:

* Forum for sector policy dialogue, including a focal point of the discussion on sector readiness, assessment of the sector policy advancement and of the institutional capacity.
* Forum to discuss IPA programming and as regards the infrastructure projects - a forum for work on the single project pipelines.
* Forum for overall donor coordination.
* Preparatory forum for the sector monitoring committees, which also focuses the discussion of the IPA projects implementation.
* Support structure to the SAA and in future – the negotiation process.

## Requirements resulting from IPA II

At this moment, IPA II, by turning the sector approach into a precondition for allocation of funds, is the biggest driver of change, the most immediate, although not necessarily the most important reason to propose a new framework. The sector approach is expected to contribute to a more targeted, more effective and efficient use of funds, as well as considerably boost the absorption capacity.

One of the five key criteria for assessing country's readiness for receiving EU funds is the sector and donor co-ordination. Questions testing this criterion include:

* Do appropriate coordination mechanisms exist within the responsible government institutions?
* Are there coordination mechanisms between the government and non-state actors?
* Are there functional donor coordination arrangements in place?
* Is there an up to date database of donor assistance?
* Is the coordination effective and inclusive?
* Is there sector leadership and willingness of government to take the lead in donor coordination or does the government show potential to develop leadership role effectively in the short term?

Beyond these guiding questions, the IPA II regulation does not define concrete criteria as regards the method of sector co-ordination. It is in every IPA beneficiary country’s own discretion, how the objective is to be attained.

The present SPCF outlines the country's concept on how to organise its resources in order to promote the sector approach and insure compliance with the requirements.

At the same time, this IPA-focused process needs also to be synchronised with the Western Balkans Investment Framework, which introduces specific arrangements in each country for the identification, prioritisation, preparation and implementation of infrastructure projects. Macedonia already established National Investment Committee (NIC), supported by Sector Working Groups (SWG). The objective of the NIC and its subordinated SWG is ensuring that donor funds are used in line with relevant cross-sectoral and sector strategies. View the similarity in the objectives, the present SPCF concept merges the SWG under WBIF and the SWG under the national IPA thus ensuring not only an optimum use of resources but most of all integrated approach towards the sectors of energy, transport, environment and social inclusion.

While sector co-ordination remains an issue of national competence, the IPA Implementing Regulation (No 447/2014) does contain detailed rules regarding *monitoring.* Key relevant articles include:

* Art. 18 - IPA monitoring committee
* Art. 19 - Sectoral monitoring committees
* Art. 20 - Other monitoring activities
* Art. 38 -Joint monitoring committee [Cross-border cooperation between Member States and IPA II beneficiaries]

The implementation of the monitoring functions under IPA will strongly benefit from the availability of strong sector coordination mechanisms. On one hand, being the interinstitutional coordination forum the SWG will discuss the progress of the various IPA actions, along with the progress of the specific sector policy, and in case of need, will address particular issues that cannot be addressed at pure unit/institution level. On the other hand, the SWG by processing of data on the implementation of IPA actions, and focusing also the discussions on effectiveness, efficiency and sustainability of the IPA actions in the context of the overall sector strategies, will prepare and support the work of the sector monitoring committees.

## The political dialogue and the EU integration aspect

IPA has been established to support primarily the EU accession process, which is also legally founded in the Stabilisation and Association Agreement. There are at least two strands to consider:

* The National Programme for Adoption of the Acquis (NPAA) (led by the Working Committee on EU Integration)
* The structured dialogue with the EU based into the SAA committees and in future – into the accession/negotiation teams.

Macedonia has the most elaborate NPAA in the region, and a well-established structure of working groups for each of the 35 Chapters of the *acquis communautaire* supplemented by the dialogue on the political and economic criteria and Public Administration reform. This structure is relevant for the SAA and will also be relevant during the negotiation process.

In order to ensure a coherent approach to sector policy co-ordination, the WCEI, and its Sub-Committee, regularly discuss proposals and reports by the ministries related to the progress of reforms in the context of EU accession in general, and the NPAA as well as IPA and donor funds in particular. WCEI also serves as the forum to co-ordinate, under the responsibility of the DPM, the implementation of relevant decisions of the GRM.

At the same time, IPA has a different logic, with 7+1 (regional and territorial cooperation) sectors. If IPA is to provide an efficient support to the integration process, there must be a clear link between the IPA sectors and the NPAA chapters/SAA/negotiations structure. The present SCPF indeed streamlines the two processes (IPA-focused sector approach and the political dialogue) by turning the SWG into a support system for the political dialogue at SAA and accession (future) level based on tight interrelations, as presented in the tables below:

Table 1 - IPA Sectors and NPAA Chapters

| IPA sectors | NPAA chapters |
| --- | --- |
| Democracy and Governance | Chapters: 5, 16, 17, 18, 29, 32, 33, political criteria |
| Rule of law and fundamental rights | Chapters: 23, 24, 10 |
| Environment | Chapters: 15, 27, 28, 15[[3]](#footnote-4) |
| Transport | Chapters: 14, 21 |
| Competitiveness and innovation | Chapters: 1, 3, 4, 6, 7, 8, 9, 20, 25, 30, economic criteria |
| Education, employment, social policies | Chapters: 2, 19, 26 |
| Agriculture and rural development | Chapters: 11, 12, 13 |
| Regional and territorial co-operation | Chapter 22 |
| Not covered by IPA | Chapters: 31, 34, 35 |

Table 2 - Correspondence of Association Sub-Committees and IPA Sectors

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | IPA Sectors | | | | | | | |
|  |  | Democracy and Governance | Rule of Law and Fundamental Rights | Environment | Transport | Competitiveness and Innovation | Education, Employment, Social policies | Agriculture and Rural Development | Regional and Territorial Co-operation |
| Association Sub-committees | Justice, freedom and security | X | X |  |  |  |  |  |  |
| Trade, undustry, customs and Taxation | X[[4]](#footnote-5) |  |  |  | X |  |  |  |
| Agriculture and Fisheries |  |  |  |  |  |  | X |  |
| Internal market and competition | X[[5]](#footnote-6) |  |  |  | X |  |  |  |
| Economic and financial issues & statistics | X[[6]](#footnote-7) |  |  |  | X |  |  | X |
| Innovation, information society & social policy |  |  |  |  | X | X |  |  |
| Transport, environment, energy & regional development |  |  | X[[7]](#footnote-8) | X |  | X[[8]](#footnote-9) | X | X |
| Special Group on PAR | X |  |  |  |  |  |  |  |

## 2.3 Donor Co-ordination

The structure of donor co-ordination is largely at the discretion of the national government.

International donors, within the framework of the OECD, have agreed to co-ordinate their support on the basis of the beneficiary countries’ policies. The EU is the largest donor, and accordingly, it is logical to use the IPA co-ordination structures also for the co-ordination of other foreign assistance – according to the same sectoral distribution as used for EU.

## 2.4 National policy formulation and implementation

The sectoral breakdown of national policies and their formulations are, of course, in national competence. While for obvious reasons, no government organisation could fully corresponds to the IPA-based sector breakdowns, the inter-ministerial co-ordination will play the role needed to ensure compliance in the sector policy making at national and at IPA level. In this aspect the SWGs remain the most important mechanism the county will put into use to ensure the synchronisation between the national and IPA programming

At the same time the overall coordination approach needs to ensure sufficient flexibility to align the IPA-related decision making with the state decision-making process. The following three levels must be thus integrated into the common coordination framework:

1. Policy level – the Government and Ministers
2. Senior level – State Secretaries, Directors General, Head of departments etc,
3. Operational level – Heads of Sector, State councillors, appointed officials,

###### Level 1 – Policy making

The Government of the Republic of Macedonia (GRM) takes strategic decisions with respect to the development and implementation of horizontal and sector policies, provides overall guidance and supervises the policy implementation.

For the moment, Macedonia does not have an overarching national development strategy. The highest level cross-sectoral strategy documents that the Government is implementing are the NPAA and the Government Programme 2014-2018.

The implementation of the Government Programme is supervised by the Cabinet, while the implementation of the defined priorities is under the responsibility of the relevant ministers.

With regards to the relations with the EU, the Government has appointed a Deputy Prime Minister for EU Affairs (DPM), who leads the established Working Committee for European Integration (WCEI), responsible for the co-ordination of the NPAA, and has also been appointed as a National IPA Coordinator (NIPAC) thus assuming the role of a main EU counterpart. The implementation of both functions is supported administratively by the Secretariat for European Affairs (SEA) acting as a national coordination body for EU integration and foreign donor assistance.

The NIPAC holds the overall responsibility for IPA, which also includes the implementation of the sector approach and thus the functioning of the sector strategic coordination framework. The DPM and SEA continuously co-ordinate with all relevant members of the government and the senior management and operational staff of the public bodies and national agencies. Yet, NIPAC and the NIPAC office hold the overall responsibility for the functioning of the sector coordination framework.

The DPM/NIPAC reports regularly to the Government which reviews the status of the IPA programme and the use of donor funds at regular basis.

Sector meetings with the GRM (relevant ministers) represent the highest level of sector coordination. This level guarantees both the political commitment to the reform processes supported by EU and the relevant feedback to the government on the use of the EU funds for the benefit of the country. It also ensures the transparency and accountability principles.

###### Level 2 – Senior Management

The implementation of policy decisions be it sector or horizontal, rests with the highest level of the administrative management who has the day-to-day responsibilities for managing the processes and resources of the respective entities (ministries, agencies, etc) in order to achieve the objectives set.

This level encompasses State Secretaries, State councillors, Head of departments, having direct responsibility for the implementation of the defined measures and for reporting on the achievement of the objectives.

Thus, this is the decision-making level having the direct responsibility for the operation of the sector working groups, which are the backbone of the sector coordination framework. This responsibility entails:

* Follow up on the implementation of the Government decisions as regards definition of national priorities;
* Aligning of the IPA objectives and priorities with the national ones;
* Monitoring of the performance of the SWGs and where necessary guidance on the way forward as regards the programming, road maps implementation;
* Feedback to the policy level on the implementation of the reforms and priorities and the use of IPA

###### Level 3 – Operational level

This level involves State councillors, Heads of Sector, Head of units and/or officials appointed by a ministerial decision to perform specific tasks related to:

* + Sector policy and strategy-making,
  + IPA implementation
  + EU integration
  + The design and implementation of relevant national investment programmes
  + Budget management
  + Reporting to the Cabinet, etc.

This level holds the operational responsibilities for analysis of the status, crafting of particular measures, preparation of documents, reporting. In the context of the sector approach this level represents the core of the sector working group.

# 3. A comprehensive approach to sector policy coordination

In brief, the policy co-ordination framework needs to be at the same time 1) flexible to integrate all aforementioned aspects, and 2) optimal to avoid multiplication of coordination mechanisms and extensive use of resources. In order to address these two requirements, the sector coordination framework is based on sector working groups (SWG) – one or max two per sectors – which assume the following responsibilities:

* As regards identification of the national priorities, the SWG will discuss the national strategies and establish the priorities, which would shape the IPA programming framework. The SWG is expected to make the links between the national strategies, the national funding/budget and the IPA objectives and funds. In this aspect the participation of representatives of the technical departments of beneficiary institutions will be of crucial importance as the IPA coordinators may not bring in, the required technical expertise to define needs and outline strategic priorities, as well as to link the IPA funding with the national one. Naturally, the methodologies and processes for the preparation, monitoring and evaluation of all relevant strategies (national or donor-related, horizontal or sectoral, national or local level) should gradually be upgraded to ensure that the content of new reform and development programmes always take into account the content of related financial instruments.
* As regards external sector coordination, SWG shall also integrate in their work development partners[[9]](#footnote-10) and non-state actors. While this coordination may come in a more mature stage of programming, is to be considered an obligatory step in the programming process.
* The sector working groups shall ensure that all criteria for sector approach are properly addressed in line with the road map adopted for every sector. Further on, the SWG is the main mechanism that needs to ensure that the required institutional capacity in the relevant sector is in place and if not – that measures are taken to address the deficiencies.
* As regards the implementation and monitoring of IPA, SWG shall discuss the ongoing IPA actions and if problems arise will spell-out measures to ensure the smooth implementation. Further on, the SWG will assess how the IPA actions address the sector objectives and what is their impact and sustainability. In the context of the performance framework exercise the SWG shall establish key performance indicators to follow the progress in the sectors and to outline what is the IPA impact.

CORE SWG

+ EU

CORE SWG

CORE SWG

**+ Donors, CS,**

Senior manage-ment

+ EU

CORE SWG

CORE SWG

**+ Donors, CS,**

CORE SWG

CORE SWG

Policy level

CORE SWG

CORE SWG

+ EU

CORE SWG

CORE SWG

**+ Donors, SC,**

**IPA**

**SAA**

**NPAA / NEGOTIATIONS**

The SWG should be treated as a flexible platform for policy co-ordination that can meet at different levels and in different compositions – but always as part of the same policy (reform and development) process.

The flexibility of the approach entails the different actors to participate in different formats and at different level of decision making:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Table 3 - SPCF as a flexible format for policy co-ordination | | | | | | | | |
|  |  | Ministries and attached national agencies |  | EU |  | Other Donors |  | economic, social and environmental partners and CSOs |
| National policy co-ordination meeting | = | Participate | + |  | + |  | + | as needed |
| IPA programming /management meetings | = | Participate | + | Participate | + |  | + | as needed |
| Donor co-ordination meeting | = | Participate | + | Participate | + | Participate | + | as needed |
| IPA monitoring (sub-) committee meeting | = | Participate | + | Co-chair | + |  | + | Participate |

The coordination framework reflects as well the EU integration process and the established comitology:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | National sector policy | Integration Process | IPA | Donor Co-ordination |
| POLICY LEVEL | Government; GRM sector meetings | Stabilization Association Council | Stabilization Association Council | Stabilization Association Council; National Investment Committee |
| SENIOR MANAGEMENT LEVEL | WCEI (horizontal)  Sectoral Policy Commitees[[10]](#footnote-11) | Stabilization and Association Committee  WCEI WCEI Sub-Committee | IPA Monitoring Committee *(with partnership)* | High-level Donor Co-ordiniation Meetings (incl. NIC level 2) |
| WORKING LEVEL | Sector Working Groups | Stabilization and Association Sub-committee  Sector Working Groups | IPA Sector Monitoring Sub-Commitees *(with partnership)* | Sector Working Groups *(with donor representatives, incl. NIC level 3)* |

While following the same objectives – to synchronise the national policy making and EU integration-focused programming and policy dialogue – the SWG are still to develop their own working agendas, which will reflect the specificity of the sectors, but are yet guided by some mandatory parameters:

* All SWGs have to develop sector roadmaps defining the measures and timeline for achieving compliance with the 5 sector approach criteria. The sector Roadmaps represent the basic platform for action of the SWG and the the deadline for adopting the roadmaps for every sector (in some cases sub-sectors) is 16 June 2016.
* All SWGs have to establish a performance assessment framework, based on clear priorities, indicators, source of information and monitoring and assessment mechanisms to allow a constant follow of the progress in the sector.
* the SWGs have to ensure transparency in their work through engaging into public consultations at sector level and providing reporting to public.

As regards the composition of the SWG, it will be important that, within each sector, the SWG participants remain the same in the relevant format. Such approach will help to foster a community of policy and development experts and decision-makers, which is an important asset for the integration process as a whole.

Further to the Article 6 of the Framework agreement, "the ownership of the programming and implementation of IPA II assistance lies primarily with the beneficiary country". The main counterpart of the Commission is the NIPAC responsible for the strategic planning, coordination of programming monitoring of implementation, evaluation and reporting of IPA II assistance. Further to this, the SWG will operate under the methodological guidance and supervision of NIPAC and NIPAC office. At least one representative of the NIPAC office will be present on the SWGs meetings.

##### Annex 1 – Composition of Sector Working Groups

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| DEMOCRACY AND GOVERNANCE SECTOR | | | | | | | |
| Coordinator | Basic working group | | Other members (if necessary) | | Donors and IFI | | Corresponding NPAA chapters |
| * NIPAC and DPM for European Affairs * DPM for implementation of OFA * Minister of Information Society and Administration * Minister of Finance | | * Ministry of Information Society and Administration * Ministry of Finance * General Secretariat * Office of the PMGRM * MF/CFCD and NAO * NIPAC and DPM for European Affairs * DPM for implementation of OFA | | * Ministry of Health * Ministry of Internal Affairs * Ministry of Justice * Ministry of Labour and Social Policy * CSO’s * Managerial staff of other bodies and agencies with competences in the sector (for e.g. PRO, NBRM,BMRM, AIRM,CARM, etc.) depending on the area/priorities covered with different programming documents | | * EU * Switzerland * USAID * UNDP * UNICEF * Sweden * Germany * France * World Bank * European Bank for Reconstruction and Development * Credit Bank for Reconstruction - KfW * European Investment Bank * Development Bank of the Council of Europe | * Ch. 5: Public procurement * Ch. 16: Taxation * Ch. 17: Economic and monetary policy * Ch. 18: Statistics * Ch. 29: Customs union * Ch. 32: Financial control * Ch. 33: Financial and budgetary provisions |
| RULE OF LAW AND FUNDAMENTAL RIGHTS SECTOR | | | | | | | |
| Coordinator | | Basic working group | | Other members (if necessary) | | Donors and IFI | Corresponding NPAA chapters |
| * NIPAC and DPM for European Affairs * DPM for implementation of OFA * The Minister of Internal Affairs * Minister of Justice | | * Ministry of Internal Affairs * Ministry of Justice * Ministry of Foreign Affairs * Ministry of Labour and Social Policy * PM Office * MF/CFCD and NAO * NIPAC and DPM for European Affairs * DPM for implementation of OFA | | * Ministry of Health * General Secretariat * CM for Roma Decade * CSO’s * Managerial staff of other bodies and agencies with competences in the sector (for e.g. Public Prosecution Office, SAPC, the Ombudsman, etc.) depending on the areas/priorities covered with the relevant programming documents | | * EU * Switzerland * USAID * UNICEF * UNDP * Sweden * Germany * France * GIZ * World Bank * European Bank for Reconstruction and Development * Credit Bank for Reconstruction - KfW * European Investment Bank * Development Bank of the Council of Europe | * Ch. 10: Information society and media * Ch. 23: Judiciary and fundamental rights * Ch. 24: Justice, freedom and security |
| ENVIRONMENT AND CLIMATE ACTION SECTOR | | | | | | | |
| Coordinator | | Basic working group | | Other members (if necessary) | | Donors and IFI | Corresponding NPAA chapters |
| * NIPAC and DPM for European Affairs * DPM for economic affairs * Minister of Environment and Physical Planning | | * Ministry of Environment and Physical Planning * PM Office * MF/CFCD and NAO * NIPAC and DPM for European Affairs * DPM for economic affairs | | * Ministry of Transport and Communications * Ministry of Local Self-Government * Ministry of Economy * Ministry of Agriculture, Forestry and Water Economy * Ministry of Health * CSO’s * Managerial staff of other bodies and agencies with competences in the sector depending on the area/priorities covered with different programming documents | | * EU * Switzerland * USAID * UNDP * France * Germany * SWEDEN * World Bank * European Bank for Reconstruction and Development * Credit Bank for Reconstruction - KfW * European Investment Bank * Development Bank of the Council of Europe | * Ch. 27: Environment |
| ENERGY SUB-SECTOR | | | | | | | |
| * Coordinator | | Basic working group | | Other members (if necessary) | | Donors and IFI | Corresponding NPAA chapters |
| * NIPAC and DPM for European Affairs * DPM for economic affairs * Minister of Economy | | * Ministry of Transport and Communications * PM Office * MF/CFCD and NAO * NIPAC and DPM for European Affairs * DPM for economic affairs | | * Director of PE State Roads * Director of Macedonian Railways and Infrastructure * Director of Macedonian Railways and Transport * Director of the Agency for civil air navigation * Minister of Local Self-Government * Minister of Environment and Physical Planning * Representatives of the civil sector * Managerial staff of other bodies and agencies with competences in the sector depending on the area/priorities covered with different programming documents | | * EU * Sweden * USAID * UNDP * France * World Bank * European Bank for Reconstruction and Development * Credit Bank for Reconstruction - KfW * European Investment Bank * Development Bank of the Council of Europe | * Ch. 15: Energy |
| TRANSPORT SECTOR | | | | | | | |
| Coordinator | | Basic working group | | Other members (if necessary) | | Donors and IFI | Corresponding NPAA chapters |
| * NIPAC and DPM for European Affairs * DPM for economic affairs * Minister of Transport and Communications | | * Ministry of Transport and Communications * PM Office * MF/CFCD and NAO * NIPAC and DPM for European Affairs * DPM for economic affairs | | * Director of PE State Roads * Director of Macedonian Railways and Infrastructure * Director of Macedonian Railways and Transport * Director of the Agency for civil air navigation * Minister of Local Self-Government * Minister of Environment and Physical Planning * Representatives of the civil sector * Managerial staff of other bodies and agencies with competences in the sector depending on the area/priorities covered with different programming documents | | * EU * Sweden * USAID * UNDP * France * World Bank * European Bank for Reconstruction and Development * Credit Bank for Reconstruction - KfW * European Investment Bank * Development Bank of the Council of Europe | * Ch. 14: Transport policy * Ch. 21: Trans-European networks |
| COMPETITIVENESS AND INNOVATION SECTOR | | | | | | | |
| Coordinator | | Basic working group | | Other members (if necessary) | | Donors and IFI[[11]](#footnote-12) | Corresponding NPAA chapters |
| * NIPAC and DPM for European Affairs * DPM for economic affairs * Minister of Economy | | * Ministry of Economy * Ministry of Education and Science * Director of the Innovation Fund * PM Office * MF/CFCD and NAO * NIPAC and DPM for European Affairs * DPM for economic affairs | | * Ministry of Information Society and Administration * CSO’s * Managerial staff of other bodies and agencies with competences in the sector (for e.g. APERM, AFIRM, Bureau for Medicines, CPC, PPA, SSO, CARM, PRO, NBRM, etc) depending on the area/priorities covered with different programming documents | | * EU * Switzerland * USAID * UNDP * France * Germany * World Bank * European Bank for Reconstruction and Development * Credit Bank for Reconstruction - KfW * European Investment Bank * Development Bank of the Council of Europe | * Ch. 1: Free movement of goods * Ch. 3: Right of establishment and freedom to provide services * Ch. 4: Free movement of capital * Ch. 6: Company law * Ch. 7: Intellectual property law * Ch. 8: Competition policy * Ch. 9: Financial services * Ch. 20: Enterprise and industrial policy * Ch. 25: Science and research * Ch. 28: Consumer and health protection * Ch.30: External relations |
| EDUCATION, EMPLOYMENT AND SOCIAL POLICIES SECTOR | | | | | | | |
| Coordinator | | Basic working group | | Other members (if necessary) | | Donors and IFI | Corresponding NPAA chapters |
| * NIPAC and DPM for European Affairs * DPM for economic affairs * Minister of Education and Science * Minister of Labor and Social Policy | | * Ministry of Education and Science * Ministry of Labor and Social Policy * PM Office * MF/CFCD and NAO * NIPAC and DPM for European Affairs * DPM for economic affairs | | * Ministry of Information Society and Administration * Ministry of Health * CoM for Roma Decade * DPM for implementation of OFA * Representatives of the civil sector, academia, representative social partners * Managerial staff of other bodies and agencies with competences in the sector (for e.g.The Employment service agency, Agency for Youth and Sports, the National Agency for European educational programs and mobility, etc.) depending on the areas/priorities covered with the relevant programming documents | | * EU * Switzerland * USAID * UNDP * UNICEF * France * Germany * World Bank * European Bank for Reconstruction and Development * Credit Bank for Reconstruction - KfW * European Investment Bank * Development Bank of the Council of Europe | * Ch. 2: Freedom of movement for workers * Ch. 19: Social policy and employment * Ch. 26: Education and culture |
| AGRICULTURE AND RURAL DEVELOPMENT SECTOR | | | | | | | |
| Coordinator | | Basic working group | | Other members (if necessary) | | Donors and IFI | Corresponding NPAA chapters |
| * NIPAC and DPM for European Affairs * DPM for economic affairs * Minister of Agriculture, Forestry and Water Economy | | * Ministry of Agriculture, Forestry and Water Economy * Food and Veterinary Agency * IPARD Agency * PM Office * MF/NAO * NIPAC and DPM for European Affairs * DPM for economic affairs | | * Ministry of Economy * Ministry of Environment and Physical Planning * Ministry of Local Self-Government * Ministry of Health * CSO’s * Managerial staff of other bodies and agencies with competences in the sector depending on the area/priorities covered with different programming documents | | * EU * France * USAID * UNDP * Germany * World Bank * European Bank for Reconstruction and Development * Credit Bank for Reconstruction - KfW * European Investment Bank * Development Bank of the Council of Europe | * Ch. 11: Agriculture and rural development * Ch. 12: Food safety, veterinary and phytosanitary policy * Ch. 13: Fisheries |
| REGIONAL COOPERATION | | | | | | | |
| Coordinator | | Basic working group | | Other members (if necessary) | | Donors and IFI | Corresponding NPAA chapters |
| * NIPAC and DPM for European Affairs * Minister of Local Self-Government * Minister of Foreign Affairs | | * Ministry of Local Self-Government * President of ZELS * NIPAC and DPM for European Affairs * DPM for economic affairs * MF/CFCD and NAO * DPM for implementation of OFA * Ministry of Foreign Affairs | | * CSO’s * Managerial staff of other representatives interested in the area (planning regions, individual municipalities, ministries, etc.) depending on the areas/priorities covered with the relevant programming documents | | * EU | * Ch. 22: Regional policy and coordination of structural instruments |

##### Annex 2 – IPA Rules on Monitoring

###### IPA Regulation

|  |  |
| --- | --- |
| Reference (Article, Page) | Text |
| TITLE I - GENERAL PROVISIONS  Article 5;Compliance, coherence and complementarity;  Point 6  Page 6 | 6.   When preparing, implementing and monitoring assistance under this Regulation, the Commission shall in principle act in partnership with the beneficiaries listed in Annex I. The partnership shall include, as appropriate, competent national and local authorities, as well as civil society organisations. Coordination among the relevant stakeholders shall be encouraged by the Commission. |

###### IPA Implementing Regulation

| Reference (Article, Page) | Text |
| --- | --- |
| CHAPTER II: GENERAL FRAMEWORK FOR IMPLEMENTATION OF IPA II ASSISTANCE  Article 4 - Principle of ownership  Point 2  Page 8 | 2. The IPA II beneficiary shall appoint a National IPA Co-ordinator (NIPAC), who shall be the main counterpart of the Commission for the overall process of: strategic planning, coordination of programming, monitoring of implementation, evaluation and reporting of IPA II assistance. |
| CHAPTER II: GENERAL FRAMEWORK FOR IMPLEMENTATION OF IPA II ASSISTANCE  Article 5 - Framework agreements and sectoral agreements  Point 1  Page 8 | 1. The Commission and the IPA II beneficiary shall conclude a framework agreement setting out specific arrangements for the management, control, supervision, monitoring, evaluation, reporting and audit of IPA II assistance committing the IPA II beneficiary to transpose into its legal order the relevant requirements of the Union regulatory framework. The framework agreement may be complemented by sectoral agreements setting out specific provisions for the management and implementation of IPA II assistance in specific policy areas or programmes. |
| CHAPTER II: GENERAL FRAMEWORK FOR IMPLEMENTATION OF IPA II ASSISTANCE  Article 5 - Framework agreements and sectoral agreements  Point 4  Page 9 | (4) The framework agreement and, where relevant, sectoral agreements shall lay down, in particular, detailed provisions concerning:  (a) the structures and authorities needed for the management, control, supervision, monitoring, evaluation, reporting and audit of IPA II assistance, as well as their functions and responsibilities; |
| TITLE II – INDIRECT MANAGEMENT BY IPA II BENEFICIARIES  Chapter I: Management and control systems  Article 7 - Structures and authorities  Page 10 | 1. The IPA II beneficiary shall establish the following structures and authorities needed for the management, implementation, control, supervision, monitoring, evaluation, reporting and internal audit of IPA II assistance:  (a) the National IPA Co-ordinator (NIPAC);  (b) the National Authorising Officer (NAO);  (c) the Operating Structures. |
| TITLE II – INDIRECT MANAGEMENT BY IPA II BENEFICIARIES  Chapter I: Management and control systems  Article 10 - Functions and responsibilities of the operating structures  Point 2  Page 11 | 2. The operating structure shall be responsible for the implementation, information and visibility, monitoring and reporting of programmes, and the evaluation thereof whenever relevant, in accordance with the principle of sound financial management, and for ensuring the legality and regularity of the expenditure incurred in the implementation of the programmes under its responsibility. |
| CHAPTER II –SPECIFIC PROVISIONS RELATING TO ENTRUSTING BUDGET IMPLEMENTATION TASKS  Article 13 - Conditions for entrusting an IPA II beneficiary with budget implementation tasks  Point 2  Page 12 | 2. The IPA II beneficiary shall guarantee a level of protection of the financial interests of the Union equivalent to that of the Union as required under Regulation (EU, Euratom) No 966/2012 and Delegated Regulation (EU) No 1268/2012 and shall set up the necessary structures ensuring the effective functioning of internal control systems. In particular, the management, control, supervision and audit systems set up in the IPA II beneficiary shall provide for an effective internal control system which includes at least the following five areas:  (a) control environment;  (b) risk management;  (c) control activities;  (d) information and communication;  (e) monitoring activities. |
| CHAPTER II –SPECIFIC PROVISIONS RELATING TO ENTRUSTING BUDGET IMPLEMENTATION TASKS  Article 14 - Entrusting budget implementation tasks  Point 4  Page 13 | 4. The NAO shall monitor the continued fulfilment by the management structure and operating structure(s) of the requirements referred to in paragraph 2. In case of failure to satisfy these requirements, the NAO shall inform the Commission without delay, and take any appropriate safeguard measures regarding payments made or contracts signed. |
| TITLE IV – MONITORING, EVALUATION AND REPORTING  CHAPTER I: MONITORING  Article 18 - IPA monitoring committee  Page 14 | 1. To ensure effectiveness, efficiency, coherence, coordination and compliance of the implementation of IPA II assistance, the Commission and the IPA II beneficiary shall set up an IPA monitoring committee no later than six months after the entry into force of the first financing agreement.  2. The IPA monitoring committee shall review the overall effectiveness, efficiency, quality and coherence of the implementation of all actions towards meeting their objectives. For this purpose, it shall, where relevant, base itself on the information provided by the sectoral monitoring committees. It may make recommendations for corrective actions whenever needed.  3. The IPA monitoring committee shall be composed of representatives of the Commission, the NIPAC and other relevant national authorities and bodies of the IPA II beneficiary and, where relevant, international financial institutions and other stakeholders, including civil society and private sector organisations.  4. A representative of the Commission and the NIPAC shall co-chair the IPA monitoring committee meetings.  5. The IPA monitoring committee shall adopt its rules of procedure.  6. The IPA monitoring committee shall meet at least once a year. Ad hoc meetings may also be convened at the initiative of the Commission or of the IPA II beneficiary, in particular on a thematic basis. |
| TITLE IV – MONITORING, EVALUATION AND REPORTING  CHAPTER I: MONITORING  Article 19 - Sectoral monitoring committees  Page 15 | 1. To ensure effectiveness, efficiency, coherence, coordination and compliance of the implementation of IPA II assistance at sector level under indirect management by IPA II beneficiaries, sectoral monitoring committees shall be set up by the IPA II beneficiary by policy area or by programme no later than six months after the entry into force of the first financing agreement related to the respective policy area or programme.. When appropriate, sectoral monitoring committees may be set up on an ad hoc basis under other implementation methods.  2. Each sectoral monitoring committee shall review the effectiveness, efficiency and quality of the implementation of the actions in the policy area or programme and their consistency with the relevant sector strategies. It shall measure progress in relation to achieving the objectives of the actions and their expected outputs, results and impact by means of indicators related to a baseline situation, as well as progress with regard to financial execution. The sectoral monitoring committee shall report to the IPA monitoring committee and may make proposals on any corrective action to ensure the achievement of the objectives of the actions and enhance the efficiency, effectiveness, impact and sustainability of the assistance provided.  3. The sectoral monitoring committee shall be composed of representatives of relevant national authorities and bodies, other stakeholders such as economic, social and environmental partners and international organisations, including international financial institutions. The Commission shall participate in the work of the committee. A senior representative of the IPA II beneficiary shall chair the sectoral monitoring committee meetings. Depending on the policy area or programme, the Commission may co-chair the committee meetings.  4. Each sectoral monitoring committee shall adopt its rules of procedure.  5. The sectoral monitoring committees shall meet at least twice a year. Ad hoc meetings may also be convened. |
| TITLE IV – MONITORING, EVALUATION AND REPORTING  CHAPTER I: MONITORING  Article 20 - Other monitoring activities  Page 16 | Other monitoring platforms may be set up where appropriate. Their activities will be reported to the IPA monitoring committee. |

1. SPCF is to replace the earlier “Programme Based Approach” (PBA) co-ordination framework, developed with the UNDP in 2012 with the main focus on sector donor co-ordination. [↑](#footnote-ref-2)
2. See, for example, the Paris Declaration on Aid Effectiveness, <https://www.oecd.org/dac/effectiveness/34428351.pdf>, EU Code of Conduct on Complementarity and Division of Labour in Development Policy <http://register.consilium.europa.eu/doc/srv?l=EN&f=ST%209558%202007%20INIT> [↑](#footnote-ref-3)
3. The energy sector is supported by a multi-country programmeunder IPA [↑](#footnote-ref-4)
4. PFM & Economic governance (linked to customs and taxation) is part of this sector [↑](#footnote-ref-5)
5. Reference to public procurement [↑](#footnote-ref-6)
6. Reference to statistics [↑](#footnote-ref-7)
7. Includes a reference to IPA support under multi-country IPA [↑](#footnote-ref-8)
8. Reference to consumer protection and public health [↑](#footnote-ref-9)
9. When also inviting representatives of International Financial Institutions providing preferential loans to Macedonia [↑](#footnote-ref-10)
10. sectoral, established -- as needed – by sector ministers, to design / oversee sector strategies [↑](#footnote-ref-11)
11. Donors and IFI which have, so far, shown interest to participate in the working groups [↑](#footnote-ref-12)