



**Background Paper for the Conference “Building Human Capacities for
EU Accession in the SEE Countries”, 13-16 October 2014, Cavtat Croatia**

Human Resources for EU Membership: What Policies in the Western Balkans?

2014

Imprint

Published by the

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Registered offices Bonn and Eschborn, Germany

Open Regional Funds for South East Europe
Promotion of EU Integration
Zmaja od Bosne 7-7a
Importanne Centar O3/IV
T +387 33 957 500
F +387 33 957 501
GIZ-BosnienHerzegowina@giz.de
www.giz.de/regional-funds-southeasteurope

As at

November 2014

Printed by

GIZ

Editor

Milena Lazarević

Authors

Nebojša Lazarević
Malinka Ristevska Jordanova
Jovana Marović
Simonida Kacarska



GIZ is responsible for the content of this publication.

On behalf of the
German Federal Ministry for Economic Cooperation and Development (BMZ)

Table of Contents

Abbreviations List	4
Foreword	5
I. Introduction – Context and Background	6
II. European Administrative Space and Accession Countries	8
II.1 Why the increasing insistence on horizontal governance in EU accession process?	8
II.2 The Meaning and Development of EAS	8
II.3 Principles of the European Administrative Space	9
II.3.1 Overview of the development of the principles	9
II.3.2 “New” SIGMA Principles of Public Administration	12
II.4 Assessing and monitoring of progress on PAR accession “criteria”	16
III. Human Resource Management and Development of Competences for the EU Accession Process	18
III.1 Elitist or massive approach to HRM in the EU accession process – a view	18
III.1.1 Islands of excellence	18
III.1.2 The new Europeanization Elite in the Western Balkans.....	19
III.1.3 Shifting focus to professionalization.....	20
III.1.4 “Elitist” versus “massive” approach to HRM	21
III.2 Comparative Experiences with “Eurocrats” schemes in EU member states	21
III.2.1 “Eurocrats” schemes in Latvia, Romania and Croatia.....	22
III.2.2 SIGMA on “special motivational packages”	24
III.2.3 Practice in the candidate countries – Case of Montenegro.....	24
III.3 Scholarships Schemes for EU Affairs Master Programmes as a Capacity Building Tool....	25
III.3.1 Defining the Beneficiaries.....	26
III.3.2 Scholarship Contracts with the Government.....	27
III.3.3 Defining the Programme Areas	28
III.3.4 Career Prospects of Scholarship Recipients.....	29
III.3.5 Institutional Setup for Implementation.....	31
III.3.6 Funding	31
III.4 National Training Systems as Capacity Creators.....	32
III.4.1 Competency framework.....	34
III.4.2 Shortcomings in the law as a limitation for the implementation of training programs.....	35
III.5 Retaining the Best – the Challenge of Accession	36
III.5.1 Attracting and retaining staff as an indicator of success.....	36
III.5.2 Retaining staff post-accession: motivating the civil servants	38
III.5.3 Retention schemes: assessment of impact.....	39
IV. Conclusion – Meeting the Administrative Challenge	41
Literature and sources:	43

Abbreviations List

BA	Bachelor of Arts
BiH	Bosnia and Herzegovina
CEE	Central and Eastern Europe
CEEC	Central and Eastern European Countries
CHRMU	Central human resource management units
EAS	European Administrative Space
EC	European Commission
EE	Eastern Europe
EEA	European Economic Area
EI	European Integration
EIoP	European Integration online Papers
ENA	École nationale d'administration
EU	European Union
HR	Human Resources
HRM	Human Resources Management
HRMA	Human Resources Management Authority
IPA	Instrument for Pre-Accession Assistance
IPARD	Instrument for Pre-Accession Assistance for Rural Development
IT	Information technology
MA	Master of Arts
NGO	Non-governmental organization
NISPAcee	The Network of Institutes and Schools of Public Administration in Central and Eastern Europe
OECD	Organisation for Economic Co-operation and Development
PA	Public Administration
PAR	Public Administration Reform
PASS	Public Administration Scholarship Scheme
PhD	Doctor of Philosophy
ReSPA	Regional School of Public Administration
SAA	Stabilisation and Association Agreement
SEA	Secretariat for European Affairs
SEIO	Serbian European Integration Office
SIGMA	Support for Improvement in Governance and Management
UK	United Kingdom
UNDP	United Nations Development Programme
WB	Western Balkan
WG	Working Group
YCS	Young Cells Scheme
YPS	Young Professionals Scheme

Foreword

The conference on “Building Human Capacities for EU accession” has been carried out as one joint activity of the network of EU Integration offices in SEE in close cooperation with the Ministry of Foreign and European Affairs in Croatia.

The network of EU integration offices is a cooperation platform within the German funded project of “Promotion of EU integration through regional cooperation” and exists now for almost one year.

The process of EU accession is to a large extent a reform process which requires in the countries a change of mind in the societies themselves. So in the end it all comes down to the people who are carrying this process within their institutions. Those people who commit themselves to this process and maintain their motivation over rather long periods of accession and negotiation.

Questions like the following have been discussed during the conference with a broad range of representatives of different institutions involved in EU accession as well as public administration reform:

- How can we attract the right people to the public institutions in times when countries struggle with budget constraints or even requests to cut salaries or staff in the public sphere but at the same time new and additional tasks, new methods and standards are coming to the administrations.
- Are there maybe experiences in the region, good practices that might be helpful for the current situation in other countries?
- How dealt other countries during their accession process with the same challenges or what is new and specific to our situation here today.
- And where are opportunities for regional exchange after this conference?

The background paper presented here gives a deeper insight into these discussions, provides some data as well as insights from relevant institutions in the region and beyond. Further, it is meant to provide an input for further discussion of the challenges related to the development of human capacities.



Alexandra Hilbig
Project Manager
December 2014

I. Introduction – Context and Background

The European Commission (EC) started to emphasise the importance of administrative and human capacities and overall public administration reform for the outcome of the EU accession process already in the process of accession of the ten Central and Eastern European countries. In an already early stage of these countries' EU integration process, the EC emphasised in the progress reports that administrative capacity makes a key part of the capability to assume both the obligations of the EU accession process and the obligations of membership later on. A core part of the administrative capacity is made up of the human capacity of that administration. Whereas the political leadership is undoubtedly necessary to steer the EU accession process, it needs to be supported by a skilled and stable civil service, capable of performing all of the complex tasks involved in the EU integration process, including the transposition of EU *acquis* into national legislation, coordination of sectoral policies, management of EU pre-accession assistance, etc. The rhetoric of the importance of administrative capacity has gradually evolved into one of wider public administration reform, which places increasing emphasis on horizontal governance structures and the underlying conditions for the functioning of the administration, including the rules which govern the management of human resources in the public service.

The emphasis placed on public administration reform in this year's Enlargement Strategy of the European Commission is stronger than ever: PAR is identified as one of the three pillars of the enlargement process and one of the key areas that will determine readiness for membership. Moreover, the report identifies public service and human resources management (which includes "organisation and functioning of the public service, depoliticisation, merit-based recruitment and promotion, training and professionalisation") as one of the six key issues under public administration reform.

In the development of the capacities of an EU candidate country, two very interrelated but somewhat distinct segments should be noted. Firstly, the EU candidate must develop the capacity to coordinate and manage the accession process itself. Secondly, the EU candidate must create the capacities to implement the *acquis* as well as ensure continued successful operation of the country within the EU system. The first aspect is usually the most visible one and it requires a relatively small subset of civil servants in the EU integration secretariat/office/ministry and their counterparts in the line ministries. This group of people is necessary to steer the project of achieving EU membership. However, the second aspect of human capacity building is often less obvious and at the same time much more difficult to achieve and more important for the sustainability of the EU membership effort. It entails the creation of a civil service capable of running the administration of an EU member state, with all the intricacies of EU policy and decision making, continued adaptation of the national system to the European one, etc. This wider segment of human capacity building is needed to ensure that the EU accession process is not managed as a project which ends with the point of accession, but as a continued process of transformation of the candidate country into an EU member state.

The latter aspect of human capacity building for EU membership intensifies with the accession negotiations, which bring to the surface the need for a wide pool of managers and experts in the public administration, given the complexity and width of the negotiations process. The negotiations are the period "when concrete accomplishments of a country in terms of transitional provision for the implementation of certain parts of the EU *acquis* depend on the expertise and preparedness of the representatives of the candidate country. The negotiation of such transitional periods may have unforeseen repercussions for the [country's] economy – if they are successful, the economy will have more time to conform itself with the rigorous requirements of European law, for instance in the area of environment; on the other side if they are unsuccessful, in a very short period, the country and the internal economy

can face exceptionally high costs and demanding changes so as to adjust its actions to the novel conditions of the EU surroundings.”¹

Considering the complexity of the process, the highly technical knowledge and the advanced skillset needed to partake in it (including language skills, negotiation and communication skills, etc.), it is of utmost importance for the candidate countries to minimise the brain-drain of the most qualified and skilled staff from the administration. Creating new EU experts is costly and time consuming, so both the creation and the retention of such staff needs to be paid particular attention in the human resource management policies of candidate states. At the same time, it should be acknowledged that the EU membership perspective and the external EU conditionality help steer the civil service policies in candidate countries towards professionalisation and meritocracy, which in turn stimulates stability and helps retain qualified staff. These are not reform directions which come naturally to politicians and administrative policy-makers, as in the process of professionalization of civil service the scope for political influence and self-will narrows down.²

This paper examines some directions, policies and practices in human capacity development for EU accession in the Western Balkan and CEE countries and aims to induce a more vivid regional level debate on the best approaches to recruiting, forming and retaining professional staff needed for achieving and upholding EU membership. It has been developed mainly using archive research, with strong emphasis on the analysis of available primary documents. Where complete information could not be obtained from archive research, short questionnaires were sent out and Skype interviews were held with relevant professionals/ officials from these countries. The first findings of the research were presented at the regional conference “Building Human Capacities for EU Accession in the EE Countries” held on 13-16 October 2014 in Cavtat, Croatia and the discussions and feedback received at the conference were also included in the final version of the paper.

In order to understand better the context within which the requirements for a professional civil service take place, the next chapter gives an overview of the EU administrative requirements, with an emphasis on the European Administrative Space and its principles. The paper then turns to the discussion of several major dilemmas and issues of relevance for EU accession human capacity development. That chapter particularly focuses on the experiences of WB and CEE countries in relation to the issues discussed. Finally, chapter four offers conclusions and some possible recommendations for the policy makers in the Western Balkans.

¹ Unpublished policy paper of the Serbian College of Europe Alumni Club – ALKES, February 2013.

² Jan-Hinrik Meyer-Sahling, “Civil Service Professionalisation in the Western Balkans,” *SIGMA Papers*, No. 48 (OECD Publishing, 2012): p.79. Available at: <http://dx.doi.org/10.1787/5k4c42jrmp35-en>

II. European Administrative Space and Accession Countries

II.1 Why the increasing insistence on horizontal governance in EU accession process?

The studies performed after the 2004 enlargement of the EU found that administrative reforms in the CEE countries have largely not been made sustainable and in some cases they have been reversed. This is particularly true of civil service reforms which were undertaken during the pre-accession period in these countries with the view to ensure the creation of professional, stable and merit based civil service. One of the largest scale such studies notes that “Central and Eastern European states had made significant progress towards the establishment of professional and impartial civil service systems before joining the EU. Yet after accession only a minority of countries, namely the Baltic States, continued to invest in the professionalisation of the civil service. Therefore, for the Western Balkan states, concerns over the degree and sustainability of civil service professionalisation have emerged at an early stage.”³ An analysis of the fit of these countries’ civil services with the European principles of administration following their EU membership shows that only the Baltic states have continued civil service reforms in a constructive manner and have ensured a relatively high fit.⁴ Hungary and Slovenia have maintained a medium fit with some continuation of reforms, whereas Slovakia, Czech Republic and Poland have been criticized for destructively reversing the previous reforms and departing further from compliance with European principles of administration.⁵ For example, the civil service law has never even been implemented in the Czech Republic where civil servants are subject to the same regime as private sector employees.⁶

These findings have alarmed the European Commission which has realised both the importance of horizontal administrative reforms for the capacity of candidate countries to properly design and implement EU compliant policies and the strength of EU conditionality in the pre-accession period. In fact once a country joins the EU, the external conditionality no longer applies and the internal conditionality which can be enforced against member states which breach the founding treaties is in fact enforced extremely rarely. The EC has since continuously and consistently increased its insistence on the design and implementation of administrative reforms and the embedding of European administrative principles in the tissue of the pre-accession countries’ administrations.

II.2 The Meaning and Development of EAS

One of the elements that characterise governance in the EU is a high level of interdependency between and within levels of government, both at the national and international level. Administration plays a strong role in the implementation and design of EU policies. Given this, interdependencies are “most keenly felt at the administrative level” and “it might therefore be expected that the European Union would require Member States to abide by certain basic rules concerning the organisation and operation of their public administrations.”⁷ A certain level of harmonization of the rules pertaining to the

³ Meyer-Sahling, “Civil Service Professionalisation in the Western Balkans,” *SIGMA Papers*, No. 48, p. 11.

⁴ Jan-Hinrik Meyer-Sahling, “Sustainability of Civil Service Reforms in Central and Eastern Europe Five Years After EU Accession,” *SIGMA Papers*, No. 44 (OECD, 2009): p. 11. Available at: <http://dx.doi.org/10.1787/5kml60pvjmbq-en>

⁵ *Ibid*, p. 7.

⁶ However, the Czech Republic has moved towards the adoption of a Civil Service Act, precisely following the realisation of the disastrous effects of free political will on the structures of public administration, see: Concept of the New Czech Civil Service Act. Available at: <http://www.statnisluzba.cz/wp-content/uploads/2014/07/Concept-of-the-new-Czech-Civil-Service-Act-July-20141.pdf>

⁷ OECD, “Preparing Public Administrations for the European Administrative Space,” *SIGMA Papers*, No. 23 (OECD Publishing, 1998): p.120. Available at: <http://dx.doi.org/10.1787/5kml6143zd8p-en>

organisation of public administration in member states could effectuate a high degree of convergence between the performance of national administrations through EU institutions, as well as of their responses to the decisions made at EU level. However, such convergence has not occurred yet. General organisation of public administration remains subject to the constitution setup of member states and under their exclusive competence. What matters for EU membership is that states have stable institutions (all – not only administrative institutions) “guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities.”⁸

Even though the EU lacks direct powers, it still does have certain means of influencing the organization of national administrations. First and foremost, the implementation of specific EU rules (e.g. environment protection, state aid, etc.) necessitates the establishment of certain administrative structures; this is one of the ways through which the EU is able to exert influence. These requirements often correspond to vertical structures (administrative structures necessary for the implementation of specific sectoral policies), however in some cases horizontal structures are also affected, such as public procurement structures or the structures for EU funds management. Still, this influence is limited in that such requirements do not address the wider horizontal links between administrative structures, the rules governing their relations or even the very organisation of the structures. Rather, the requirements are expressed in “terms of results to be achieved (what is referred to legally as an “obligation de résultat”). States are free to set up their public administration as they please, but it must operate in such a way as to ensure that Community tasks are effectively and properly fulfilled to achieve policy outcomes which are set by the Union.”⁹ This leaves member states a great degree of freedom with respect to determining the forms and regimes of these structures.

In spite of the lack of an EU administrative model, interaction between national administrations and with EU institutions, has led to the creation of the European Administrative Space (EAS). This concept refers to “the shared principles of public administration among EU member states... The EAS includes a set of common standards for action within public administration which are defined by law and enforced in practice through procedures and accountability mechanisms.”¹⁰ EAS constitutes that national administrations must ensure comparable levels of efficiency and quality in their work and service provision (obligation of result). One of the key characteristics of EAS is administrative reliability. As noted, “the EU administration is in fact a chain of national administrations. That chain – as [... seen with] external border controls – is only as strong as its weakest link.”¹¹ There is thus a great degree of interdependency and in this sense, the reliability of national administrations is crucial for ensuring the rule of law as well as the effective implementation of policy and economic development in the entire Union.¹²

II.3 Principles of the European Administrative Space

II.3.1 Overview of the development of the principles

European principles of administration have evolved gradually, with the expansion of EU competences. They “are derived from the Treaties of the European Union, case law of the European Court of Justice, and administrative law codes of EU member states.”¹³ Article 263 (control of legality of acts), Article 296

⁸ Ibid, p. 111.

⁹ OECD, “Preparing Public Administrations for the European Administrative Space,” *SIGMA Papers*, No. 23, p. 121.

¹⁰ OECD, “European Principles for Public Administration,” *SIGMA Papers*, No. 27, (OECD Publishing, 1999): p.5. Available at: <http://dx.doi.org/10.1787/5kml60zwd7h-en>

¹¹ OECD, “Preparing Public Administrations for the European Administrative Space,” *SIGMA Papers*, No. 23, p. 13.

¹² Ibid, p. 121.

¹³ Meyer-Sahling, “Civil Service Professionalisation in the Western Balkans,” *SIGMA Papers*, No. 48, p. 12.

(duty to justify acts), Article 15(right of access to the documents of EU institutions) are among those which directly define EU administrative principles. At the same time, certain principles are “shared in the legal frameworks, daily practices and cultures of public administration in the EU and its member states,”¹⁴ on the basis of which the European Court of Justice has, through its case law, inferred a number of administrative principles the breach of which constitutes the basis for challenging the EU institutions’ decisions. Moreover, the EU Ombudsman’s practice has also influenced the development of EU administrative principles. The Charter of Fundamental Rights, which was given binding legal effect equal to the Treaties (of the EU),¹⁵ through the enforcement of the Lisbon Treaty (2007), has additionally reinforced a number of principles of good governance.

As put by Nehl, “[m]ainly as a result of judicial activism, the Community system now disposes of an array of higher ranking general principles of administrative law – whether procedural or substantive in nature – putting constraints on the exercise of Community public power vis-à-vis the citizens and providing adequate protection to the latter [...] However once those principles are established at Community level, they also reflect back on the member states’ legal orders owing to the intimate linkage between the Community and the national administrative systems regarding the joint implementation of Community law, a phenomenon which has been described [...] as a continuous process of mutual influence and convergence...”¹⁶ At the same time, this convergence need not result in same or similar institutional structures and organisation of the administration. In fact, “the diversity of institutional frameworks among EU member states indicates that different institutional solutions are assumed to embody the same kind of legal principles, as long as minimum institutional standards are met.”¹⁷

The basic substantive and procedural principles of EU administrative law include:

- Administration through law principle (or *le principe d’attribution des compétences*)
- Proportionality principle
- Equality and anti-discrimination principle
- Protection of legitimate expectations
- Consistency (administrative predictability)
- Principle of due process (right to be heard)
- Right of access to information, etc.¹⁸

These principles have been studied and processed for presenting to EU candidate states in the accession context by SIGMA programme. SIGMA’s role in refining and elaborating the EU administrative principles has strongly influenced the EU accession agenda with regards to PAR. In its monumental Paper No. 27, SIGMA classified the “basic principles of administrative laws common to all Western European countries” into four main groups:

Reliability and predictability

Reliability and predictability are the core principles to the rule of law or the Rechtsstaat. They can also be seen through the lens or concept of legal certainty. This group of principles embodies the principles

¹⁴ Ibid.

¹⁵ EUROPA, Summaries of EU legislation – Charter of Fundamental Rights (last updated 06/05/2010). Available at: http://europa.eu/legislation_summaries/justice_freedom_security/combating_discrimination/l33501_en.htm

¹⁶ Hanns Peter Nehl, “Administrative Law,” in *Elgar Encyclopaedia of Comparative Law*, ed. J.M. Smits (Edward Elgar Publishing, 2006): 23-24.

¹⁷ Meyer-Sahling, “Civil Service Professionalisation in the Western Balkans,” *SIGMA Papers*, No. 48, p. 12.

¹⁸ For a more detailed discussion, see: OECD, “European Principles for Public Administration,” *SIGMA Papers*, No. 27 or J. Schwarze, *European Administrative Law* (Sweet & Maxwell: London, 1992).

of legal competence as well as proportionality. Procedural rights of due process (right to be heard) and right to a timely decision are also placed in this category.¹⁹

Openness and transparency

These two principles are about the possibility for the public to see the work of the administration and to have the possibility of oversight as well as ensuring outside scrutiny of the work of the administration. This group of principles serves to protect the public interest and to decrease the potential for maladministration, corruption or abuse of power. The duty to justify decisions as well as the right of access to information of public interest belong to this group of principles.²⁰

Accountability

In the sense of administrative law, accountability means that each authority needs to be responsible for its work to other administrative, legislative or judicial bodies. For the public administration to be accountable, there needs to be oversight, scrutiny and review. Mechanisms for ensuring accountability, including “review by the courts, appeal to a superior administrative body, investigation by an ombudsman, inspection by a special board or commission, and scrutiny by a parliamentary committee.”²¹

Efficiency and effectiveness

These are relatively new principles, brought about by fiscal constraints in many states and consequently, the need to reduce costs and public spending in general, and to produce more value for the tax payers’ money. Efficiency consists of “maintaining a good ratio between resources employed and results attained,” while effectiveness consists of ensuring that public administration is successful in achieving its set goals.²² EU law particularly insists on administrative efficiency in the application of EU directives and regulations, which has made many member states change and improve their internal procedures in order to ensure effective implementation of EU rules.²³

As in the area of public administration there is no hard *acquis communautaire*, meaning also that there is no single model to emulate in the reforms of horizontal governance structures, SIGMA’s elaboration of these principles has become a guidance tool for the candidate countries. As put by Meyer-Sahling, “a closer reading of the European Commission’s Progress Reports and of the annual civil service and administrative framework assessments that SIGMA conducts for the European Commission provides a list of minimum standards for the reform of the civil service and their relation to the European principles of administration. The minimum standards have remained remarkably stable since the formulation of these principles in the late 1990s.”²⁴ By elaborating these principles, SIGMA has developed a baseline system for assessing different aspects of candidate states’ administrative systems. In the past year, SIGMA has worked intensely on further elaborating the principles and sub-principles and creating a quantifiable basis for a more evidence based approach to the assessments of candidate states, which is discussed in the next section.

¹⁹ OECD, “European Principles for Public Administration,” *SIGMA Papers*, No. 27, p. 9-11.

²⁰ OECD, “European Principles for Public Administration,” *SIGMA Papers*, No. 27, p. 11-12.

²¹ *Ibid*, p. 12.

²² *Ibid*, p. 8.

²³ *Ibid*.

²⁴ Meyer-Sahling, “Civil Service Professionalisation in the Western Balkans,” *SIGMA Papers*, No. 48, p. 12.

II.3.2 “New” SIGMA Principles of Public Administration

One of the points of criticism with regards to the European administrative principles have been that “European officials and international consultants, as well as domestic policy makers, have had considerable leeway in interpreting the institutional manifestation of the European principles.”²⁵ According to these accounts, although the flexibility which was involved in the principles has provided “conditions for the context-sensitive application of the European principles of administration [...] it has undermined the clarity and consistency of the European guidelines for civil service reform. Moreover, the lack of clarity has made it difficult to monitor reform progress.”²⁶

In November 2014, SIGMA published “The Principles of Public Administration,” a document which presents the first large-scale attempt to “codify” EU principles of public administration for use by the European Commission, SIGMA as well as policy makers in the candidate states. Thus, the principles as laid out in the document aim to “define what good governance entails and outline the main requirements to be followed by countries during the EU integration process.” They are designed as a guideline in particular for countries seeking EU accession and receiving IPA funding. SIGMA formulates the principles based on *acquis* requirements, as well as based on international standards and good practices in EU Member States and OECD countries in the areas where there is no *acquis*. The principles have been classified into 6 groups, based on the key reform issues/areas, as set out by the EC. Apart from outlining the principles under each group, the Principles document also sets out a monitoring framework, featuring indicators for each area and principle as well as indicative lists of reference documents for assessments of those indicators.²⁷ Therefore, there is now not only a focus on defining the principles of public administration but also on measuring outcomes and monitoring country progress based on the indicators set out in the Principles document.

What follows is a brief overview of the principles, with particular focus on the group dedicated to human resource management and public service, for which the indicators are presented in addition to the principles. The entire overview is based on the mentioned document available for download from the SIGMA website.²⁸

Strategic Framework of Public Administration Reform

The main focus in this area is on ensuring reform leadership as well as establishing a “functioning management system” for PAR. Governments must have a strategic framework in place, as a basis for implementing a prioritized and coherently planned reform agenda in line with financial circumstances. A “functioning management system” implies that management is able to guide and steer the reform process and that there is a defined sense of implementation accountability. There are 5 principles in this area: PAR agenda developed and enacted; PAR purposefully implemented and reform outcome targets set and regularly monitored; financial sustainability of PAR ensured; robust and functioning coordination structures at both the political and administrative level in place; responsibility and capacity of one leading institution to manage the reform process.

²⁵ Ibid, p. 81.

²⁶ Ibid.

²⁷ OECD - SIGMA, “The Principles of Public Administration” – Summary, (OECD, November 2014): 1-31. Available at: <http://www.sigmaweb.org/publications/principles-public-administration-november-2014.htm>

²⁸ OECD - SIGMA, “The Principles of Public Administration.”

Policy Development and Co-ordination

This area addresses policy planning, development, co-ordination and implementation capacities and arrangements. According to the key requirements under this area centre of government institutions must fulfil all functions critical to a well-organised, consistent and competent policy-making system, policy planning must be harmonized and aligned with financial circumstances, Government decisions and legislation must be transparent, legally compliant and accessible to the public, and policy making must be inclusive and evidence-based. In terms of principles, the 12 principles listed under this area include: centre of government institutions fulfil all functions critical to a well-organised, consistent and competent policy making system; clear horizontal procedures for governing national European integration process established and enforced under co-ordination of responsible body; harmonized medium-term policy planning, with clear whole-of-government objectives, aligned with financial circumstances (sector policies meet Government objectives and are consistent with the medium-term budgetary framework); a harmonised medium-term planning system for all processes relevant to European integration integrated into domestic policy planning; regular monitoring of Government's performance enabling public scrutiny; Government decisions prepared in a transparent manner and based on professional judgment (legal conformity of decisions ensured); Parliament scrutiny of government policy making; organisational structure, procedures and staff allocation of ministries ensuring that developed policies and legislation are implementable and meet objectives; European integration procedures and institutional set-up form an integral part of the policy development process and ensure systematic and timely transposition of *acquis*; evidence-based policy making and legal drafting process with regular impact assessment; policies and legislation designed in an inclusive manner enabling active participation of society and allowing for co-ordinating perspectives within the Government; and legislation is consistent in structure, style, and language (legal drafting requirements applied consistently across ministries and legislation made publicly available).

Public Service and Human Resources Management

Public service is a key component of public administration and this area is also of particular importance for this paper. There are two key requirements under this section. First of all, states must clearly define the scope of public service and apply this in practice. Strategic policy, adequate legal provisions defining the right scope of the public service and an effective institutional set-up are the basic elements needed to ensure the efficient and effective functioning of the public service. The second requirement states that they must also ensure the professionalism of public service through good managerial standards and HR practices. Applying HRM policies and tools, such as sound recruitment and dismissal procedures, remuneration, performance appraisal, professional training and development, integrity measures and disciplinary procedures, will help states to attract and retain the most valuable employees as well as to build a merit-based, sustainable and professional public service capable of developing and implementing policies as effectively as possible regardless of changes in Government.

In total, there are 7 principles under this section:

- **Principle 1:** The scope of public service is adequate, clearly defined and applied in practice.
- **Principle 2:** The policy and legal framework for a professional and coherent public service is established and applied in practice; the institutional set-up enables consistent and effective human resource management practices across the public service.
- **Principle 3:** The recruitment of public servants is based on merit and equal treatment in all its phases; the criteria for demotion and termination of public servants are explicit.
- **Principle 4:** Direct or indirect political influence on senior managerial positions in the public service is prevented.

- **Principle 5:** The remuneration system of public servants is based on the job classification; it is fair and transparent.
- **Principle 6:** The professional development of public servants is ensured; this includes regular training, fair performance appraisal, and mobility and promotion based on objective and transparent criteria and merit.
- **Principle 7:** Measures for promoting integrity, and preventing corruption and ensuring discipline in the public service are in place.

Several monitoring indicators are also provided for each principle in this area:

Principle 1 indicators:

- Extent to which the scope of public service is adequate, clearly defined and applied in practice.

Principle 2 indicators:

- Extent to which the policy and legal framework for professional and coherent public service is established and implemented.
- Extent to which the institutional set-up enables consistent HRM practices across the public service.

Principle 3 indicators:

- Annual turnover of civil servants at the level of the central administration.
- Turnover of civil servants at the level of central administration within six months of a change of Government.
- % of vacant positions filled by external competition in the civil service at the level of central administration.
- % of vacant positions filled by internal competition in the civil service at the level of central administration.
- % of women and men in the civil service at the level of central administration.
- % of women and men in senior managerial positions in the civil service at the level of the central administration.
- % of civil servants at the level of the central administration by different ethnic origin in relation to the general ethnic division in the country based on the latest census.
- Extent to which recruitment of public servants is based on the merit principle in all its phases.
- Extent to which the termination of employment of public servants is based on merit.

Principle 4 indicators:

- Annual turnover of senior managerial civil servants at the level of the central administration.
- Turnover of senior managerial civil servants at the level of central administration within six months of a change of government.
- % of vacant senior managerial positions at the level of central administration filled by external competition.
- % of vacant senior managerial positions at the level of central administration filled by internal competition.
- Extent to which political influence on the recruitment and dismissal of senior managerial positions in the public service is prevented.

Principle 5 indicators:

- Ratio of average annual compensation of central government senior and junior professionals to compensation of tertiary-educated workers.
- Ratio of average annual compensation of central government senior public servants to compensation of tertiary-educated workers.
- Extent to which the remuneration system of public servants is fair and transparent and applied in practice.

Principle 6 indicators:

- Extent to which the training system of public servants is in place and applied in practice.
- Extent to which the performance appraisal system of public servants is in place and applied in practice.

Principle 7 indicators:

- Transparency International Corruption Perception Index–the country score.
- Citizens' perception of the integrity and trustworthiness of the public service.
- Number of public servants who have been criminally convicted of corruption crimes.
- Extent to which the integrity and anti-corruption system of the public service is in place and applied in practice.
- Extent to which the disciplinary procedures against public servants are established to promote individual accountability and avoid arbitrary decisions.

Accountability

Accountability is crucial to ensuring that public administration performs the functions within its mandate properly and efficiently. Accountability is highly related to other principles such as rationality, transparency, and affordability. Proper mechanisms must be in place to ensure that state administration bodies perform in an accountable, transparent and liable matter. The 5 principles under this area are: a rationale overall organisation of central government which follows adequate policies and regulations and provides for appropriate internal, political, judicial, social and independent accountability; the right to access public information enacted in legislation and applied in practice; functioning mechanisms to protect rights of the individual to good administration and the public interest in place; fair treatment in administrative disputes guaranteed by internal administrative appeals and judicial reviews; and public authorities assume liability in cases of wrongdoing and guarantee redress and/or adequate compensation.

Service Delivery

Although Member states have a large degree of autonomy with respect to the way they deliver most services and there is no acquis for setting standards for national public administrations, according to Article 41 of the EU Charter of Fundamental Rights, "Every person has the right to have his or her affairs handled impartially, fairly and within a reasonable time by the institutions, bodies and agencies of the Union". States need to establish citizen-oriented administrations and they must work towards providing quality and accessible public services. There are 4 principals identified under service delivery: policy for citizen-oriented state administration in place and applied; good administration is a key policy objective underpinning the delivery of public service, enacted in legislation and applied; mechanisms for ensuring the quality of public service in place; and accessibility of public services ensured.

Public Financial Management

This last area, public financial management, covers elements such as budget formulation, execution, procurement, control and audit mechanisms, ensuring public scrutiny over public finances as well as transparent budget reporting and accounting practices, alignment of national financial management and control policy with chapter 32 requirements. There are 16 principles in this area. These principles are: medium-term budgetary framework published on a general government basis that is founded on credible forecasts and covering a minimum time horizon of 3 years (all budget organisations operate within it); Budget formulated in line with national legal framework, with comprehensive spending appropriations consistent with the medium-term budgetary framework; Ministry of Finance, or authorised central treasury authority, centrally controls disbursement of funds from the treasury single account and ensures cash liquidity; clear debt management strategy in place and implemented; Budget transparency and scrutiny ensured; operational framework for financial management and control defines responsibilities and powers, and its application is consistent with relevant legislation and public administration in general; each public organisation implements financial management and control in line with overall financial management and control policy documents; operational framework for internal audit reflects international standards and its application is consistent with the legislation and public financial management in general; each public organisation implements internal audit in line with overall internal audit policy documents; public procurement regulations aligned with the *acquis*, include additional areas not covered by the *acquis*, are harmonised with corresponding regulations in other fields, and duly enforced; central institutional and administrative capacity to develop, implement and monitor procurement policy effectively and efficiently; remedies system aligned with *acquis* standards of independence, probity and transparency, providing for rapid and competent handling of complaints and sanctions; public procurement operations comply with basic principles of equal treatment, non-discrimination, proportionality and transparency, while ensuring the most efficient use of public funds and making best use of modern procurement techniques and methods; contracting authorities and entities have appropriate capacities and practical guidelines and tools to ensure professional management of the full procurement cycle; independence, mandate and organisation of the Supreme Audit Institution established and protected by constitutional and legal framework and respected in practice; and standards applied by the State Supreme Audit Institution in a neutral and objective manner to ensure high quality audits, which positively impact on the functioning of the public sector.

The new approach to the Principles and the monitoring framework which has been designed will bring about a major change in the way PAR is monitored and assessed in the candidate states. The assessment reports are bound to become much more evidence based, measurement of indicators will be done in regular intervals and the assessment of progress is bound to become much more transparent and precise. As this paper is going into print, SIGMA is organising high level workshops in all WB countries to present the Principles and the new monitoring framework. The baseline assessments are expected to be performed in 2015 in all countries.

II.4 Assessing and monitoring of progress on PAR accession “criteria”

The EC recognised early on that countries in transition from a communist non-democratic governance system aspiring to become EU members would need external support in building up their administrations. In partnership with the OECD, it established a Programme entitled Support for Improvement in Governance and Management – SIGMA, which it has predominantly financed ever since. SIGMA’s objective is “to strengthen the foundations for improved public governance, and hence support socio-economic development through building the capacities of the public sector, enhancing horizontal governance and improving the design and implementation of public administration reforms, including proper prioritisation, sequencing and budgeting.” The key areas in which SIGMA’s work is organised are:

1. Civil service and public administration organisation and functioning
2. Public finance and audit
3. Public procurement
4. Policy making
5. Strategy and reform co-ordination and implementation

The services that SIGMA provides include provision of short-term technical assistance that complements other EU institution building instruments, performance of annual assessments in the above-mentioned areas for the candidate states, as well as producing policy papers and studies on public governance. The short term support can consist of preparation of strategies and reform plans, drafting and amendment of laws, planning of larger technical assistance projects, awareness raising events, advice to key senior and middle managers, practitioner-to-practitioner support, peer review of specific systems or organisations.²⁹

SIGMA publishes annual assessments examining the progress made by EU candidate countries in the area of PAR. These reports focus on five key areas including civil service and public administration organisation and functioning, public finance and audit, public procurement, policy-making or strategy and reform. For example, SIGMA's 2014 assessment of BiH focuses on public finance and strategy and reform, emphasizing that due to a complex decision-making system and a lack of political will, "overall progress on PAR in BiH has stalled." On the other hand, SIGMA's 2014 assessment of Serbia is centred on public procurement, legal framework and civil service management. According to the assessment, Serbia's civil service system is in line with EU principles however its scope must be extended, there is no defined policy for the organization of public administration and the majority of senior civil servants continue to be recruited on a discretionary basis. These annual assessments are used by the EC during the preparation of annual Progress Reports and programming of technical assistance. Annual assessments for each EU candidate country are available on SIGMA's website.³⁰

As of November 2014, along with the publication of its paper elaborating on the principles of public administration, SIGMA also introduced a new monitoring framework. This monitoring framework features indicators developed by SIGMA as well as internationally used indicators. Several quantitative and qualitative indicators are provided for each group of principles mentioned above. The framework was designed to enable "regular analysis of the progress made in applying the Principles and in setting country benchmarks," and to help measure public administration development over time. Qualitative indicator progress will be measured using a scale of 1 (lowest) to 5 (highest possible result). Further details regarding the indicator scores are to be published in 2015. A variety of data collection methods are to be used, including interviews with relevant officials, and analysis of policy/ Government documents, legislation and primary and secondary sources. The necessary data for monitoring progress will be collected during the OECD/SIGMA annual PAR assessment process.³¹

²⁹ For more details, see: <http://www.sigmaweb.org/about>

³⁰ For more details, see: <http://www.sigmaweb.org/publications/public-governance-assessment-reports.htm>

³¹ OECD, SIGMA, "The Principles of Public Administration" – Summary, (OECD, November 2014): 7.

III. Human Resource Management and Development of Competences for the EU Accession Process

III.1 Elitist or massive approach to HRM in the EU accession process – a view

When we talk about an “elite” of the civil service in EU what do we usually think about? Most often elitism is associated with a high level of expertise and professionalism of civil servants in European countries. Speaking of the “elite” of the civil service in the UK, we mean Oxbridge, which is not far from the truth, as the UK civil service traditionally recruits a large number of graduates from the top 4 universities in the country, forming the country’s civil service elite.³² When we speak of the French civil service elite, we think of ENA, as senior entrants in the French civil service mostly come from ENA or the Ecole Polytechnique.³³

Still, the first raw model of a civil servant for the public administration in the Western Balkan countries has mostly been the “Eurocrat” – the civil service member of the European institutions, as a representative of the European trans-national elite – the one with which the top coordinative EU affairs structures directly deal with.

III.1.1 Islands of excellence

During the CEE Enlargement, the phenomenon of creating “islands” or “enclaves” of professionalism and technocratic excellence was observed.³⁴ Firstly, this was the case in the field of budgetary and economic and fiscal policy, where “bureaucratic insulation is typically secured via the leading policy maker’s placement on strategic committees, advisory boards, and cabinets backed by, and subordinate only to the top political leadership.”³⁵ In the second half of the nineties, this approach was replicated to the EU accession process, as the EU enlargement agenda was set and preparations for negotiations launched. Negotiations themselves have been characterized as an elite-driven process.³⁶ Especially at the beginning of negotiations, most of the EU coordination systems were described as “relatively small teams of politicians and officials tend to be placed under the direct authority of the head of government and are distinguished by their professional competence.”³⁷

European integration management systems formed “the administrative backbone of the accession management process in the EU-8 and have been widely praised for their effectiveness.”³⁸ Continuity and quality of the staff of the central body was seen as a significant factor contributing to the EU accession process. However, only the Lithuanian and Latvian administrative elite was considered non-partisan, all others have been assessed as politicized.³⁹ Most of the coordination teams were a combina-

³² UK Commission on Social Mobility and Child Poverty Commission, “Elitist Britain,” (August 2014). Available at: <https://www.gov.uk/government/publications/elitist-britain>

³³ Thomas Magstadt, *Nations and Government: Comparative Politics in Regional Perspective* (Library of Congress: USA, 2011).

³⁴ K. Goetz, “Postcommunist Central Administration: a Case of Belated Modernisation,” *Journal of European Public Policy* 8:6 (December 2001): p. 1032-1051.

³⁵ B. Greskovits, *The Political Economy of Protest and Patience: East European and Latin American Transformations*, (Central European University Press: Budapest, 1998).

³⁶ G. Ekiert, “Dilemmas of Europeanisation: Eastern and Central Europe after the EU Enlargement,” *Acta Slavica Iaponica*, Tomus 25 (2008): pp. 1-28.

³⁷ K. Goetz, “Postcommunist Central Administration: a Case of Belated Modernisation.”

³⁸ T. Verheijen et al., “EU-8 Administrative Capacity in the New Member States: The Limits of Innovation?” Study (World Bank, December 2006): p. 9. Available at: http://siteresources.worldbank.org/INTECA/Resources/EU8_AdminCapacity_Dec06.pdf

³⁹ Ibid, p.7.

tion of diplomats who have worked with Brussels and highly professional civil servants, knowledgeable of EU, with experience in policy coordination issues and administration. Young professionals were soon recruited, adding in fresh knowledge and a new breath in the administration.

The application of this elitist model to the EU management systems can be explained by several factors. The first one is certainly the need to maintain broad political support to the EU accession process. The second factor is the very nature of the negotiations, which imposes a high level of inter-ministerial co-ordination and leadership, necessary to guide the creating of negotiation positions and make decisions on contentious issues. In addition, the principle of “one voice” of the country in the negotiations requires one representative of the process, usually personalized in the Chief Negotiator. The third factor is the need for specific EU expertise, which at the time was scarce in the candidate countries.

As the accession process progressed, the focus moved to raising capacity of the state administration in general. The coordinating body does not have an original competence over any part of the *acquis* and in the end it is up to the responsible ministries and other institutions and bodies to transpose and implement the *acquis*. Consequently, EU-related capacity has to spill over to the other parts of public administration.

Following accession, back-slides in public administration reform were evident - both the “decline of specialized EI management structures” and “roll-back of horizontal management systems on key issues such as HRM systems.”⁴⁰As mentioned in the previous chapter, these findings have acted as an alarm bell for the approach to public administration reform during and after accession. Research has shown that politics has to be taken into regard, in addition to institutional capacity.⁴¹

III.1.2 The new Europeanization Elite in the Western Balkans

The trajectory of the CEE public administration reform in the Europeanization process can be largely traced in the case of Western Balkan countries. EU-related capacity developed on two levels: EU coordination systems and horizontal issues of public administration reform.

The accession process has an impact on the human resources policy in the Western Balkans in multiple ways:

- Within political criteria conditionality
 - o Central coordination for the accession process (accession negotiations bodies, SAA bodies including a specific group on PAR);
 - o Setting standards for HR as a part of public administration reform;
- Support to national institutions in the former component I of IPA I or policy area democracy and rule of law in IPA II Transition Assistance and Institution Building;
- Strengthening capacities for absorption of IPA.

Especially the times of breakthrough (signing of the Stabilization and Association Agreement, EC questionnaire, candidacy, launch of negotiations, decentralization of IPA management) have urged the politicians to make more radical moves towards raising the capacity of the public administration. In the earlier phases of integration, this was done through creating “islands of excellence” within the administration, following the initial advice for “*stability in the personnel* dealing with accession, EU experience amongst senior negotiators”, and “access to a reservoir of intelligent, hard-working, multilingual young

⁴⁰ Progress reports for candidate countries, 1998-2003.

⁴¹ Antoaneta Dimitrova and Dimiter Toshkov, “Post-accession compliance between administrative co-ordination and political bargaining,” in: Frank Schimmelfennig and Florian Trauner (eds): Post-accession compliance in the EU’s new member states, European Integration online Papers (EIoP), Special Issue 2, Vol. 13, Art. 19 (2009). Available at: <http://eiop.or.at/eiop/texte/2009-019a.htm>

people who have, or can acquire, specific knowledge in particular areas of EU affairs.”⁴² Throughout the last decade bright young people, mastering EU at the College of Europe in Bruges and Natolin, University of Sussex, Amsterdam, London School of Economics and other renowned European academic institutions have entered the EU integration offices of the public administrations of the Balkan transitional countries. Showing a new image of the administration, otherwise stigmatized for being slow, ineffective and unknowledgeable, they have been the perfect symbol for the change that is just around the corner, and of which they themselves would be the bearer. The EU integration offices have been regarded as the nucleus for the so much wanted and needed change in the administration and the society as a whole, in parallel with the institutions in charge for public administration, largely sponsored and mentored by the EU institutions.

The process itself resulted in the creation of an elite in the public administrations in candidate states. In addition to the EU integration offices and public administration reform bodies, the privileged parts of the public administration are usually the newly formed administrative structures in line with the *acquis*, including the numerous regulatory bodies. The unwanted result of this process is that large parts of the administration are left behind, and seem to be targeted by the EU related reform only when difficult requirements of the newly developed HR strategies and numerous formal rules are imposed on them, usually with no opportunity to have a say in this process.

In practice, the endeavours of the “nuclei of change” have largely depended on the strength of the impulse provided by the EU and the political will on national level – in most cases as a combined factor. The sustainability of this exercise has shown to be problematic. The most striking example is maybe the case of Macedonia, where the former “stars of the candidacy” are today either out of the public administration, or on the margins of the public administration, with no prospects for career development.⁴³

III.1.3 Shifting focus to professionalization

Compared to the CEE enlargement, the time factor in the WB accession process has played an opposite role. As the end of the process for all the WB countries except for Croatia which has already joined, is open, the time span for public administration reform is much broader and lessons learned from CEE enlargement can be applied.

In the EC monitoring structure the operation and performance of the EU coordination systems, as well as public administration reform have been monitored under the sub-criterion “*Government*”. However, while the approach to the EU coordination systems has remained unchanged, the approach to monitoring public administration reform in general has largely been upgraded, with the increasingly active role of SIGMA in both assessing and providing technical assistance, as has been shown in the previous chapter. EU coordination mechanisms are now observed and assessed only as one aspect of policy coordination, while involvement in development and implementation of human resources standards has largely increased.⁴⁴ Focus has largely shifted to horizontal issues of public administration reform, becoming one of the three pillars of the Enlargement Strategy, in addition to the rule of law and economic governance.⁴⁵ Human resources management, on the other hand, is one of the most prominent

⁴² A. Mayhew, “The Preparation of Countries in South East Europe for Integration into the European Union,” SIGMA (OECD, 2005): p.22. Available at: <http://www.sigmaweb.org/publications/37211600.pdf>

⁴³ Saska Cvetkovska, “Want to Work? Join the Party’: Contacts Trump Merit in Balkan Job Market,” Balkan Investigative Research Network, (13 December 2012). Available at: <http://www.balkaninsight.com/en/article/want-to-work-join-the-party-contacts-trump-merit-in-balkan-job-market>

⁴⁴ For more information see: <http://www.sigmaweb.org/publications/public-governance-assessment-reports.htm>

⁴⁵ European Commission, “Communication from the Commission to the European Parliament, the Council, The European Economic and Social Committee and the Committee of the Regions, Enlargement Strategy and Main Challenges 2014-15,” Brussels, 8.10.2014 COM (2014) 700 final, p. 4.

issues in the Strategy and country reports, which strongly criticize politicization and non-compliance with the merit-based principle.

SIGMA, focusing on professionalism of the civil service, does not favour any specific approach to parts of the public administration.⁴⁶

III.1.4 “Elitist” versus “massive” approach to HRM

The arguments for an elitist approach to the human resources related to the EU accession process in the Western Balkans are weak. It is still a huge privilege to work in the public sector in the region. In fact, it is a privilege to have a job at all, and even a greater privilege to have a secure job in public institutions as compared to the ever more insecure jobs in the private sector. The public institutions are, by far, the biggest employers in the Western Balkans countries. They have a huge human resources pool available to pick up from. In some countries in the region, the salaries are even more attractive than in the private sector. Thus, if the already adopted formal rules on human resources management, including schemes of competence-based positions, are consistently implemented, they would result in a sound human resources policy.

For poor transitional economies the only sound approach towards public administration is that of a small, rational and highly professional administration, with open access to all citizens on a competitive basis. This approach would be elitist in terms of professionalism, but massive in terms of access and openness. Such an approach pre-supposes a basic understanding and agreement among key political actors from the present and future position and opposition on the key principles of the public administration reform. This includes a clear division between political and professional posts. On the other hand, it implies no compromise on the side of the EU in the monitoring and evaluation of achievements in the public administration reform in the candidate countries. Thus, setting up special bonuses for specific posts, and any kind of non-transparent and non-measurable privileges, especially in the current state of politicisation of the public administration would lead to even higher level of politicisation and fragmentation.

III.2 Comparative Experiences with “Eurocrats” schemes in EU member states

The European integration process is extremely demanding and implies the engagement of staff with specific skills and competencies. Countries that joined the European Union in “waves of accession” in 2004, 2007 and 2013 as a rule had a problem with attracting, retaining and motivating qualified staff to work in state bodies, especially considering the lower wages in public administration. On the other hand, the lack of capacity in the candidate countries has been an important issue in the integration process so far. Adequate planning and management of human resources should be crucial for overcoming such problems. This is certainly a demanding task, having in mind that upgrading skills and professional behaviour requires significant resources (financial and training). However, individual countries opted for special incentives for civil servants involved in the EU accession matters. Special incentives and conditions refer, inter alia, to awarding salary top-ups and supplements selectively to a given group of civil servants. Higher salaries have in several cases been provided to civil servants working on “European integration issues” above the amounts received by their colleagues with the same experience, grade and pay scale working on “non-EU related tasks.”

Special “motivational packages” can be linked with the complexity of the job and encouragement should be applied to all public institutions, depending on the qualifications required for “complex jobs”. Another option is to bind special incentives to the performance of civil servants (e.g. servants engaged

⁴⁶ Meyer-Sahling, “Civil Service Professionalisation in the Western Balkans”, *Sigma Papers* No. 48.

in the management of EU funds). Individual performance indicators can include parameters related to both quantity and quality of work, individual development targets, attitude and/or ethics. However, designation of the employees working on “EU affairs” is problematic since in the countries that have so far opted for special incentives position and duties of these officials were different. For the purpose of this research, “employees engaged in EU affairs” will be considered as:

- Employees who participate directly in the negotiation structure;
- Employees of the central unit coordinating the overall process of the European integration;
- Employees who work on the management of EU funds;
- The experts/advisers hired on a contractual basis to provide support within a certain phase of the EU integration process.

However, the main question is whether the positions in public administration related to EU affairs are desirable enough to attract staff with the necessary competencies, or the determination of special incentives for certain groups of employees adversely affect the attractiveness of other positions. Another important issue is whether special incentives violate the basic principles of public administration reform and established legal procedures governing civil service system. Finally, it is also important to look at whether and to what extent special incentives improve the sustainability of public administration performance.

III.2.1 “Eurocrats” schemes in Latvia, Romania and Croatia

In Latvia wider use during the negotiations for EU membership had the so-called “management contracts” for key officials in the Government. These contracts had strong financial incentives, were concluded on annual basis and funded from the state budget. However, during the early stage of the EU integration process, content of these management contracts was not public, and it was often the subject of abuse in terms of its content. At a later stage the practice of concluding these instruments for “crisis management” was enhanced since content of the contracts was made public. Another negative aspect was a lack of criteria for the conclusion of these agreements, as a result of which the choice of beneficiaries was largely the matter of subjectivity.⁴⁷ In Latvia the concept of “fast track careers” was also enabled based on the Law on Civil Servants (providing no other incentives to civil servants).

With the changes of the civil service law in 2006 Romania also introduced the legal framework for a system of rapid promotion “designed” for individuals involved in “Young Professionals Scheme” (YPS) and other civil servants who pass the state exam for fast promotion. Conditions for taking this exam included one-year work in public administration with at least one professional training, the mark very good in the performance evaluation for the previous year and no administrative record.⁴⁸ Public managers were recruited from among young people with remarkable results in their academic experience. YPS was launched in 2003 with a goal to attract the best graduates into civil service. It was designed in a way to select and train young professionals and to assist in finding a suitable place for them in the civil service within a framework of a fast-track career program.⁴⁹ Competency framework for public managers in Romania was adopted in 2004.

⁴⁷ UNDP, SEIO, “Introducing a “Eurocrats” Scheme for Serbia, Gathering New EU Member States’ Experiences & Discussing Available Options,” Report on Round Table (Belgrade, 2007): p. 3

⁴⁸ Ibid, p. 6.

⁴⁹ Marius Profiroiu, Alina Profiroiu and Tudorel Andrei, “Young professionals scheme (YPS): A new approach and challenge for training institutions in Romania,” (NISPAee Annual Conference): p. 1.

Table 1: Summary Competency Framework for Public Managers in Romania adopted in 2004⁵⁰

General Competency	Sub-Competency	Specific Competency
Delivery skills (motivation and commitment)	Drive for results	Planning and prioritizing work activities
		Proactive problem solving
	Learning and self-improvement	Resilience
		Accountability
Intellectual capacity	Decision making	Learning continuously
		Adaptability
	Constructive thinking	Analytical and critical thinking
		Taking and implementing decisions
Interpersonal skills	Building productive relationships	Taking calculated risks
		Thinking creatively
	Communicating with impact	Identifying innovative solutions
		Building relationships
Team skills	People management	Achieving goals through relationships
	Team player	Communicating
	Change Agent	Influencing, negotiating and mediating
Change Agent	Change Agent	Ability to train others
		Ability to contribute in a team environment
		Promotes change and thrives on change

Romania also had set up a pay system for specific categories of civil servants working with European grants under the contract in 2001. Such pay system meant a 75% additional salary for these officers. Two years later (2003), Romania recruited about 500 professional Corps of European Integration Advisors to all the public administration institutions. Advisors were engaged under a contract, which allowed the different salary system for them relative to that applied to civil servants.

Croatia established a special strategy and higher incomes for officers involved in the EU funds management in 2013. Financing of staff involved in the EU funds management in this country is planned by the *Regulation on the job titles and job complexity coefficients in the civil service* (hereinafter: the Regulation).⁵¹ The Regulation classifies job titles and descriptions alongside with conditions and skills for the assignment to the specific job/position. Among other, education, experience in EU funds management, knowledge of EU cohesion policy and other specific skills determine the complexity of the job and, therefore, the coefficient of monthly income.

⁵⁰ Ibid, p. 13.

⁵¹ Regulation on the job titles and job complexity coefficients in the civil service (Uredba o nazivima radnih mjesta i koeficijentima složenosti poslova u državnoj službi), Republic of Croatia. Available at: [http://www.uprava.hr/UserDocsImages/Državna služba/2013/010313-Uredba o nazivima radnih mjesta i koeficijentima složenosti poslova u državnoj službi.pdf](http://www.uprava.hr/UserDocsImages/Državna%20služba/2013/010313-Uredba%20o%20nazivima%20radnih%20mjesta%20i%20koeficijentima%20složenosti%20poslova%20u%20državnoj%20službi.pdf)

III.2.2 SIGMA on “special motivational packages”

SIGMA indicates a problem of defining and applying the criteria for “Eurocrats” schemes. According to SIGMA, “the danger in any attempt to define and find out who the “Eurocrats” within a given public administration should be is that the complexity of such an endeavour would most likely result in an imprecise and arbitrary choice.”⁵²

SIGMA recommends that the “Eurocrats” scheme should not involve only civil servants from EU integration coordinating institution or body, since all units/institutions in public administration have responsibilities in this process. Otherwise, selective application could lead to a demotivation of civil servants from other public administration bodies. SIGMA recognizes the necessity to avoid hampering mobility and good co-operation between different branches of civil service.

III.2.3 Practice in the candidate countries – Case of Montenegro

Two years after EU negotiations started, Montenegro reached a decision about providing additional benefits for employees involved in the process. Specifically, *Decision on establishing the structure for the negotiations on the accession of Montenegro to the European Union*⁵³ stipulates that the institution where a member of the working group is employed funds the work of the negotiating working group members. This provision was related to the financing of their official travels (for example: participation in screening meetings) and regular salaries. Changing the Decision on establishing structure for negotiations with expanding the jurisdiction, role and responsibility of the working groups coincided with the conclusion that delivered paying out monthly fees for the working group members. Specifically, in contrast to the countries that have so far negotiated EU membership where the mandate of the working groups was completed after the negotiating positions were prepared, Montenegro redefined the role of the working groups with extending their jurisdiction over implementation of the action plans as benchmarks for progressing in the negotiations. Although the changes apply to all working groups, fees from July 2014 on a monthly basis go exclusively to the members of the working groups for Chapter 23 (Judiciary and Fundamental Rights) and 24 (Justice, Security and Home affairs).

Certainly, chapters 23 and 24 are among the most demanding in the EU negotiations process, while the new EU approach specifies that these chapters will be open during the entire negotiation process. Taking into account the limited capacity of line ministries, especially the fact that the same persons from the relevant state authorities are usually involved in several working groups dealing with amendments to the laws and relevant legislation, this decision can be interpreted as justified.

However, such an approach is problematic for several reasons. The Working Group on Chapter 23 has 47 members (4 from the NGO sector), while the working group for Chapter 24 comprises 44 members (2 from the NGOs). It means that this policy requires considerable resources on annual basis, especially if one takes into account that the representatives of the state bodies are already paid from the state budget. So it is arguable whether their activities in negotiations can be treated as “separate” from their “regular” jobs in ministries and state authorities for which they receive a monthly salary.

Having in mind the changed and improved competence of the working groups and their new role in the implementation and monitoring of action plans, the question is why fees would be provided only for these two and not to all negotiation working groups. This is especially important due to fact that Montenegro has a very low level of harmonization of legislation in certain areas of *acquis* (such as Chapter

⁵² UNDP, SEIO, “Introducing a “Eurocrats” Scheme for Serbia, Gathering New EU Member States’ Experiences & Discussing Available Options,” p. 8.

⁵³ Decision on establishment of the negotiation structure for accession of Montenegro to the European Union (Official Gazette of Montenegro 9/2012, 10 February 2012).

27 on Environment), and working groups for these chapters have extremely demanding tasks ahead of them. It is also questionable whether all members of these two working groups have an equal role in the implementation of action plans.

It is interesting to point out that the members of the working group for Chapters 23 and 24 from NGO sector are also allowed to receive monthly fees, but they perceive such practice differently. For some of them funding was only important in terms of participation in meetings in Brussels during the “screening phase” in negotiations while monthly fees are unacceptable having in mind their critical role in the process. However, a few of them believe that this is an adequate form of financing considering that their regular salaries are not funded from the state budget.⁵⁴

Practices going in the direction of creating special incentives can also be found elsewhere in the Western Balkan states which are negotiating or preparing for EU accession negotiations. For example, Albania has re-introduced an allowance for scientific qualification (MA and PhD) in 2007 with a preference for international universities, foremost for attracting staff to work on the European agenda. In Macedonia, however, the legal possibility for bonus payments for exceptional performance has rarely been used in relation to EU accession, “implying such incentives exist on paper, but not in practice.”⁵⁵

III.3 Scholarships Schemes for EU Affairs Master Programmes as a Capacity Building Tool

At one point in time, most Central and Eastern European countries, as well as most Western Balkan countries, have run government and/or donor funded scholarship schemes for civil servants (or civil servants to be) for MA programmes in the area of European affairs, EU law, EU economics, etc. On the whole, the main idea behind such schemes is to create

In the policy context it is important to mention the Decision on scholarships which created the legal basis for the participation of civil servants, regulated rights and obligations, including the right to paid leave, and which is still applied and indeed represents the key basis for enforcing the rights of civil servants in various similar programmes (external scholarships, fellowships, etc).

Dejan Buha, Public Administration Reform Coordinator's Office, Bosnia and Hercegovina

a pool of civil servants with high quality knowledge and experience in EU affairs, capable of contributing to the performance of highly technical tasks during the accession process. Often the type of expertise, in the area of EU integration that these countries require is not available “in the desired quantity and quality” at local universities and thus scholarship programmes are established in order to send beneficiaries abroad and to build up the capacities of the civil service sector in this regard.⁵⁶ Accordingly, most countries have set as the objective of such programmes the creation of the human capacity for the EU integration process within the administration.

The scholarship programmes are usually established by Government decisions which stipulate their main features, rights and responsibilities and the coordinating/implementing institutions. In some cases, such as Serbia, the general legal basis is enshrined in the Civil Service Act.⁵⁷

⁵⁴ Interview with member of the Working Group from the NGO sector for chapter 23 (conducted in November 2014).

⁵⁵ Meyer-Sahling, “Civil Service Professionalisation in the Western Balkans,” *Sigma Papers* No. 48.

⁵⁶ E-mail questionnaire with Elizabeta Buova, Head of the SEA Training Center, Secretariat for European Affairs - Government of the Republic of Macedonia (conducted in November 2014).

⁵⁷ Article 9 of the Serbian CSA stipulates that where a civil servant is given a scholarship for additional education in line with the needs of the authority where she/he works, she/he is obliged to work for at least twice as long as the duration of the study programme. The rights and duties of scholarship recipients are regulated by a contract.

III.3.1 Defining the Beneficiaries

The experiences and practices of these countries show that government scholarships for postgraduate studies, which oblige beneficiaries to work in civil service for a certain period of time after the completion of their studies, are a very effective means of retaining the newly trained staff in the area of EU affairs. At the same time, the problem of “brain drain” of high quality staff due to the relative uncompetitiveness of public administration on the labour market is mitigated, albeit not fully resolved.

In 2010, a project titled, “European Integration - scholarship program” was funded in Serbia through the IPA 2008 fund. The project lasted from 2010 to February 2012. Within the framework of this project, 171 students attended a three-week specialized training program on European integration for civil servants and public administration and local government employees, 32 civil servants interned in EU or member states institutions, 54 public and private sector employees completed a three-week training on knowledge transfer in the field of European integration.

Scholarship programmes have targeted both civil servants and external candidates. However, experience has shown that providing scholarships to recent graduates who are not yet civil service employees can be problematic. In particular, problems often arise once these graduates return to seek employment following the completion of their studies (e.g. the issue of discriminating other candidates applying for a vacant position in favour of scholarship recipients, the beneficiaries’ protracted wait in order to get a permanent work position, etc.). Consequently, certain countries have decided to give scholarship selection preference to young civil servants or recently employed trainees. For example, until 2007 Croatia’s scholarship programme was open to all candidates, including those not employed in public administration. However, preference was given to civil servant applicants. Then in 2009, due to funding cuts and an employment freeze which was enforced in the public sector, the Croatian government decided to advertise competitions internally and to allow only civil service candidates to apply.⁵⁸ In spite of this, the idea of funding recent graduates who are not yet civil service employees is not abandoned everywhere. For example, the Macedonian scholarship programme still remains open to all citizens, including interested parties in the civil and public service who fulfil the necessary conditions (citizenship, knowledge of English...).⁵⁹ In addition, the Macedonian programme gives preference to candidates who have secured alternative funds to cover studies in these areas.⁶⁰

Although the scholarship programmes are usually focused on the central administration, in some cases they have been extended to subnational levels of administration. For example, in Bosnia and Herzegovina, civil service administrations at all levels (BiH Federation, Republika Srpska and Brcko District) took part in the programme on the basis of the Memorandum of Understanding, which was signed at the end of 2006.⁶¹ In Serbia local level civil servants were also targeted by the scholarship programme, albeit the programme did not provide scholarships for MA programmes but rather shorter specialist courses, internships, etc.

⁵⁸ E-mail questionnaire with Dubravka Smolić, Ministry of Foreign and European Affairs, Republic of Croatia and Dušanka Šulje, Ministry of Foreign and European Affairs, Republic of Croatia (conducted in November 2014).

⁵⁹ Macedonia started its scholarship programme in 2003 and in 2010 the programme was renamed as “Gabriela Konevska Trajkovska.” See: http://www.sep.gov.mk/data/file/Obuka/Stipendii/Nov%20konkurs%202014_2015/Vest250-190_cela_str_06_08_MK-2014Ver15-1.pdf.

⁶⁰ For more Information: http://www.sep.gov.mk/content/?id=431#.VDXB_fmSx-6

⁶¹ Regional School of Public Administration, “Attractiveness of Civil Service in the Western Balkans,” (OECD Publishing, (February 2009): p. 36. Available at: <http://www.sigmaweb.org/publications/Civil-Service-Attractiveness-ReSPA-Feb09.pdf>

III.3.2 Scholarship Contracts with the Government

Scholarship contracts regulate the rights and obligations of both beneficiaries and the state. The terms of contract naturally vary depending on whether the recipient is already a civil servant or not. The examples in the region illustrate that in the case of funding external candidates (not yet employed in the PA) it is very important to set a deadline for recruiting them upon return from studies, after the expiration of which the work obligation also expires and the beneficiary is free to seek employment elsewhere.

The idea was both novel and noble at the time, and it had proved to be a good venture and a good practice. In the past years the access to the new technologies, and the enormous amount of data posted on the internet, made the access to the information on a variety of other and similar types of scholarships to the wider public in general terms. The activity and the rules have evolved over time, mostly for improvement and betterment of the activity and the possibilities both during their studies and after the graduation, and we have lived to see our practice and established routine to be taken over by the Ministry of Education and Science which awards much bigger number of scholarships compared to SEA.

Elizabeta Buova, Secretariat for European Affairs, Macedonia

In Bosnia, students who received funding under the PASS scholarship programme were obliged by contract to continue working in public administration for a period of at least 3 years following the end of their studies.⁶² The same obligation is enforced for the beneficiaries of the Young Cells Scheme in Kosovo.

The length of contractual obligation to serve in the public administration in Macedonia has varied between 3 (in 2003 when the programme was established) and 6 years (in 2014). The Government obliges all unemployed scholarship recipients to apply for all public calls for any open positions related to EU integration for which they are eligible, during a 2 year period following their postgraduate studies enrolment. The Government has also tried through several approaches, in line with the Law, to provide employment for scholars in sectors involved in the EU integration process. However, as the process of employment application with the civil service is prescribed by the Law for Civil Servants, beneficiaries have to go through the same procedure as any citizen in terms of applying to calls for job vacancies and they can apply to any positions of their own choice. Macedonia has reported that its most problematic issue with the programme remains the employment of scholars, especially with scholars who were not already part of the civil service.⁶³

In order to try and address this issue with the employment of beneficiaries, a new package of laws has been prepared in Macedonia and it is important to note that on 01.01.2015 the enforcement of a new Law on state administration will provide specific support to all scholars funded through the state budget. They will now be granted a privileged position as well as higher points in the selection process based on the new Law.⁶⁴ Something similar was done in 2007 in Croatia when the Government adopted a Decree (with legal force) which amended the Civil Service Act by providing the possibility to employ scholarship recipients in state authorities without holding an open competition (one can assume that the logic behind this provision was that scholarship recipients had already passed a highly competitive process on the basis of which their scholarship was awarded).⁶⁵

Macedonian scholarship recipients are also contractually obliged to regularly (once every three months) report to the Secretariat of European Affairs on the progress of the studies, and to submit a technical

⁶² E-mail questionnaire with Dejan Buha, Public Administration Reform Coordinator's Office, BiH (conducted in November 2014).

⁶³ E-mail questionnaire with Elizabeta Buova, Macedonia.

⁶⁴ E-mail questionnaire with Elizabeta Buova, Macedonia.

⁶⁵ Decree on the Amendments to the Civil Service Act, Government of the Republic of Croatia (19 July 2007).

and financial report within eight days upon the completion of studies. In the case that the beneficiary does not successfully complete the study programme, they are obliged to return the full amount of the scholarship. Scholarship recipients are given the possibility of repaying this amount in 12 monthly instalments, while there are also more rigorous approaches to regulating this obligation (e.g. a single rebate or a refund in a smaller number of instalments), so as to pressure the scholarship recipient to complete the studies successfully.

Breach of the contractual duty to work in the public administration for a predefined period of time results in the obligation to pay back the scholarship (in single or several instalments). Croatia reports that out of a total number of 293 grantees, only 4 left the civil service prior to the expiration of their contractual obligation of 3 or 5 years. Out of the 87 scholarships the Macedonian Government has awarded through its programme, lawsuits for a breach of contract were undertaken against 4 scholars and 1 scholar was forced to return their scholarship as a result (the total amount was returned in 12 instalments). To date, 45 scholars have completed their obligation towards the Government.

III.3.3 Defining the Programme Areas

One of the important issues of consideration in the design of such programmes relates to the definition of the study programmes as well as institutions to which candidates can apply. Not all study programmes can offer the same benefits in terms of the new knowledge, skills and contacts that the graduates can bring back to their administrations.

In Macedonia, the call for applications stipulates that “postgraduate studies in EU studies include graduate studies in the areas of EU law, economics and politics.”⁶⁶ However, the candidates are not limited in their choice of universities. SEA used to publish an indicative list of universities that had programmes in EU studies available on the internet, however, it was explicitly stated that this list is indicative only.⁶⁷ The Secretariat of European Affairs has on two occasions in the past, in parallel to the MA programmes abroad, launched calls for awarding scholarships for civil servants for MA studies in EU related affairs at the universities in the Republic of Macedonia (in 2007 and 2011), which met wide interest and very positive feedback from the administration.⁶⁸ On these two occasions a total of 55 scholarships were awarded to civil servants exclusively. Obligations contracts were signed with all beneficiaries, providing for them 3 years to complete the studies and acquire a degree, and obliging them to work for the administration for four years after graduation.⁶⁹

The Bosnian PASS Programme – Public Administration Scholarship Scheme – enabled civil servants were sent to academic institutions, such as the University of the West England and the College of Europe, where they completed one-year graduate studies in areas including EU integration, EU law, European Economic and Financial Policy and PAR Management. The programme changed focus from one year to another, so that in 2006, for example, the focus was on EU law and legal harmonisation, economic and fiscal policy in EU context as well as EU integration/accession process, whereas in 2007 the focus shifted to management of public administration reform, of the EU integration process and European public law.

In Croatia, the programme was implemented specifically for MA studies abroad (at EU based universities) between 1998 and 2012, when it was changed to cover only Croatian universities, inter alia due to the fact that Croatian postgraduate EU studies university programmes were recognised as having

⁶⁶ For more information see: http://www.sep.gov.mk/content/?id=431#.VDXB_fmSx-6

⁶⁷ E-mail questionnaire with Elizabeta Buova, Macedonia.

⁶⁸ Ibid.

⁶⁹ Ibid.

met the scholarship programme criteria.⁷⁰ In the past the scholarship programme was based on institutional cooperation with several European universities, the list of which was provided to the interested candidates. Scholarships were given for studies in the area of EU law, EU economics and interdisciplinary European studies. The main reason for sending beneficiaries to foreign universities was because postgraduate programmes allowing civil servants to acquire knowledge in the area of EU integration (especially European law, economics, acquis transposition, EU project implementation and EU-Croatia relations) had not existed in Croatia. Moreover, another important outcome of sending beneficiaries abroad was that they were able to become part of a network of alumni and experts working in

EU-integration related areas in Member States. Nevertheless, this new local programme also has several advantages including: equal educational quality to that of foreign universities, cost-effectiveness of the program, it allows beneficiaries to continue working while studying and thus public administration bodies no longer have to search for temporary replacements. On the other hand, some of the disadvantages of the changed programme proved to be: lack of the multicultural environment which gave additional educational and cultural value to the foreign programme, lack of the networking opportunities with EU experts and alumni, it is more difficult for beneficiaries to focus on their studies as they have to work at the same time and finally, the fact that local programs are more research-oriented studies as opposed to foreign programmes which provided more specialised knowledge.⁷¹ Perhaps for that reason, the call for the academic year 2012/2013, which targeted only Croatian universities, did not specify any sub-areas under the general area of European studies.⁷²

The Young Cells Scheme in Kosovo is the only among these programmes which has an extended focus, although its objectives are strongly related to the country's EU accession capacities. Thus, in addition to EU law or European Affairs and Public Policy, the YCS has also provided scholarships for programmes in general economics, hard sciences as well as sector policies, such as agronomy, spatial and territorial planning, tourism management, etc.⁷³

III.3.4 Career Prospects of Scholarship Recipients

Funding civil servants who hold entry-level positions can create important career advancement opportunities and avenues for these young staff members. The Macedonian system allows trainees and young civil service employees to participate in such scholarship programs, without interrupting the length of their service. As a result, beneficiaries are able to exercise the right to career advancement as

The outcomes and results of this program have been invaluable. Apart from the fact that scholarship beneficiaries returned with newly acquired and imperative knowledge for us, they also acquired many skills, formed a network of people who were always at our service/disposal in terms of organizing lectures, seminars and conferences... During their studies they also had the opportunity to see how EU institutions function. The programme was developed based on needs, especially negotiation process needs, and once we determined exactly what staff units were needed (for example Maritime Law, Environmental Protection Law...). Prior to the end of the negotiations and at the time when observer status was granted, around 70 civil servants, of which more than 50% were scholarship beneficiaries, were working at the Mission of the Republic of Croatia to the EU in Brussels.

Dužanka Šulje, Ministry of Foreign and European Affairs, Republic of Croatia

⁷⁰ E-mail questionnaire with Dubravka Smolić and Dužanka Šulje, Croatia.

⁷¹ Ibid.

⁷² Internal Call for Application for award of scholarships for postgraduate European studies in the Republic of Croatia for the academic year 2013/2013. Available at: <https://uprava.gov.hr/>

⁷³ EU Scholarship Scheme - Young Cells Scheme Kosovo. For more details, see: <http://www.ycskosovo.eu/en/home.html>

Young Cells Scheme programme aims to create an effective, efficient and transparent public administration in Kosovo at all levels of and to support the Government of Kosovo in meeting the obligations arising from the EU integration process by enhancing the professional capacity and expertise of civil servants. This scheme was initiated in 2004. Out of the 190 students who have already completed this programme, around 85% work for the Government of Kosovo, in institutions such as Line Ministries, the Ministry for European Integration and the Central Bank.

they are able to return to their position after the successful completion of their postgraduate studies (and of course after having passed a state exam), and continue their work as tenure civil servants with the same or preferably higher rank upon return from studies. The possibility of having the time spent at the study programme count towards working experience serves as an important incentive for encouraging the best civil service candidates to apply.

One of the possible downsides of such programmes which have been noted in the case of some CEE countries (e.g. Latvia) is the loss of thus educated civil servants to the private sector, either during the contractual work obligation (e.g. a private company agrees to pay out the scholarship) or after its expiration. Macedonian experience shows mixed results with regards to the employment of scholarship recipients. Out of the total number of 87 scholars, 54 beneficiaries currently are or have been at some point been employed in public administration, out of which 38 are or have been employed at the Secretariat for European Affairs. The rest were or are employed in institutions such as Ministries, IPARD, Foreign Investment Agency, Public Revenue Office, and National Bank of the Republic of Macedonia.⁷⁴ In order to maximise the number of scholars who find a job in the administration, in the first years of the scholarship programme SEA used to provide direct contact and guidance to the scholars to focus them on the vacancies that open for the needs of the European integration process, which proved to be a successful approach, in those years. Later the employment proved to be extremely difficult, and a new approach was deployed where institutions were mobilised to more concretely focus on defining the kind and the number of posts they have in due perspective and either open a competition to which these candidates apply, or engage the scholars under temporary contracts which were renewed every 1-3 months.⁷⁵ The new deployed strategy is to try and define in direct contact the affinities and inclinations of the scholars and match them with the institutions in need of such a profile while following strictly the legal procedures in place.⁷⁶

In Croatia, according to the latest statistics of the MFEA, currently around 30% of scholarship grantees work outside of civil service (out of which 30% work in local administration or other parts of the public sector, while the rest work in the private sector). In terms of placement statistics, most grantees work in the Ministry of Foreign and European Affairs (30%), Ministry of Finance (15%), Ministry of Regional Development and EU Funds (7%), Ministry of Environmental and Nature Protection (7%), Ministry of Science, Education and Sports (3%), the remaining percentage is equally distributed among other public administration bodies.⁷⁷

An additional problem with the implementation of the scholarship programmes which are open to all citizens (and not only civil servants) relates to the possibility of having a part of the investment without return, as some candidates do not manage to find employment in the public administration. In the

⁷⁴ E-mail questionnaire with Elizabeta Buova, Macedonia.

⁷⁵ Eventually, in the period 2009-2010, the latter was no longer possible with the changes in the legal framework addressing employment in the civil service and the budgetary planning, implementation and control. E-mail questionnaire with Elizabeta Buova, Head of the SEA Training Center, Secretariat for European Affairs - Government of the Republic of Macedonia.

⁷⁶ Ibid.

⁷⁷ E-mail questionnaire with Dubravka Smolić and Dušanka Šulje, Croatia.

Macedonian case, for example, the total number of scholars who have not been employed by the PA amounts to around 20% of the total number of beneficiaries between 2003 and 2014.⁷⁸

III.3.5 Institutional Setup for Implementation

Ensuring transparency and the proper and careful selection of beneficiaries are crucial factors for determining the success and outcome of such scholarship programmes. Scholarship schemes in the region are usually managed through a single centre, which is responsible for implementing the programme, securing funding from the EU or bilateral donors, awarding scholarships, advertising public calls for scholarship applications and organising the selection process. Often the main institution running these scholarship programmes is the institution in charge of EU integration coordination – e.g. Ministry of Foreign and EU Affairs in Croatia, Secretariat for European Affairs in Macedonia or European Integration Office in Serbia.

Bosnia's scholarship programme was coordinated and managed by the Civil Service of BiH, with the support of the Directorate for European Integration.⁷⁹ The example of Kosovo is also an exception. Its EU postgraduate scholarship programme, the Young Cells Scheme (YCS), is managed by the European Union Office in Kosovo and implemented by the British Council. The British Council has set up the YCS Secretariat, composed of local and external experts. These experts are responsible for the overall management of the programme, including the grantee selection process, ensuring a high level of transparency and objectivity throughout the selection process, establishing contacts with EU universities in order to enrol students, administering living allowances and university fee payments, monitoring employment practices within the Government of Kosovo upon the return of the grantees, etc.⁸⁰

Another important aspect of effective implementation is auditing and review. For example, in Macedonia, the coordinating body for the scholarship programme, the Secretariat for European Affairs is “subject to regular and almost bi-annual audits by the State Audit Office.” During such audits, budgets, scholarship activity and statistics are reviewed and then recommendations are made in terms of improving database management, reporting and addressing discrepancies. As of November 2013, the country also established a state register and database of scholars who have studied abroad and were funded by the state budget. This register includes information, such as contract obligation fulfilment progress and current whereabouts.⁸¹ Such databases are an important tool in terms of programme feedback, tracking programme statistics and progress, and performing programme analysis. It is important that states review and audit these programmes so that they are able to assess impact as well as shortcomings, which will help them in improving these programmes and implementing them in the most effective way possible.

III.3.6 Funding

In terms of funding, comparative experiences diverge. Whereas in some cases programmes are solely government funded (as in the case of Macedonia ever since 2007), in other cases they are co-financed, either through embassies of EU Member States (or even the countries of the European Economic Area - EEA), and in other cases also through EU funds. Countries also allocate various amounts of national funds, depending on their possibilities. For example, in 2007 Croatia allocated over €300,000 from its state budget for its scholarship programme. The economic crises has noticeably affected these programmes in the region, with the number of scholarships reduced in some countries (Croatia, Macedonia) and the programme closed altogether in others (Bosnia).

⁷⁸ E-mail questionnaire with Elizabeta Buova, Macedonia.

⁷⁹ E-mail questionnaire with Dejan Buha, Public Administration Reform Coordinator's Office, BiH.

⁸⁰ EU Scholarship Scheme - Young Cells Scheme Kosovo. More information available at: <http://www.ycskosovo.eu/en/young-cells-scheme.html>

⁸¹ E-mail questionnaire with Elizabeta Buova, Macedonia.

The amount of scholarships granted each year also depends on funding possibilities, which can vary from year to year. Since the beginning of its scholarship programme (in 2003), Macedonia has granted a total of 87 scholarships for MA studies abroad, thus on average 7.3 scholarships a year. The number of scholarships granted has varied each year (from a minimum of 3 in 2014 to a high of 17) depending on the amount of amount of programme funding available. After Macedonia's 3-year budgeting and strategic plan is approved, funds for scholarships are released through a separate Government decision, which sets the legal basis for the programme.⁸² In order to reduce budget costs and increase the number of scholarships provided, certain countries also place restrictions on the length of the programmes for which a scholarship can be sought. For example, the Macedonian Government has constricted candidates to apply to MA studies *not lasting longer than 12 months* in the areas related to EU, EU affairs, law, policies or economy.

In the Serbian, Bosnian and Kosovo cases the scholarship programmes were/are entirely donor funded and were implemented as projects. The Bosnian PASS programme lasted for four years. Starting in 2004, the last generation to benefit from this programme was that of the 2008/2009 academic year, after which the programme was not continued. PASS was funded by the EC under the framework of CARDS 2005. For the academic years 2005/06 and 2006/7, the Delegation of the EC in BiH allocated 400.000 EUR for the PASS programme. Moreover, for 2006/7 an additional amount of 500.000 EUR was allocated, resulting in a total of 30 students whose scholarships were financed through PASS between 2005 and 2009.⁸³

The example of Croatia stands out in terms of the variety of funding sources secured for the scholarships programme. For instance, the British Foreign and Commonwealth Foreign in partnership with the University of Sussex funded scholarships for beneficiaries from Croatia who were sent to the University of Sussex (in total over 100 students through 14 generations). The College of Europe also financed partial scholarships for 7 beneficiaries and the last scholarships under this programme were granted in the 2011/2012. From 2003 to 2008, certain Croatian companies (Ericsson Nikola Tesla d.d., HT d.d., PBZ d.d., Podravka d.d., PLIVA d.d., KONČAR d.d, Volksbanka) were also involved in providing funding for the programme (for each school year, around 4 companies jointly covered the costs of one scholarship). Finally, the rest of the programme was financed through the Government, who covered living expenses, health insurance costs, travel costs and programme registration fees.⁸⁴

III.4 National Training Systems as Capacity Creators

Effectiveness of the public administration as one of the principles of the European Administrative Space is directly linked with training of civil service. Taking into account the problem of limited administrative capacity in almost all WB countries that is emphasized by the European Commission progress reports, the training and development of civil servants are considered as key instruments for improving these capacities.

With the existing capacities in these countries, their strategic goals, and the stage in the process of European integration, the main objectives of the training program for civil servants in the Western Balkans countries may be classified as follows:⁸⁵

- “Towards serving citizen’s demands” - Improving the quality of services;
- Professionalization of Public Administration through upgrading the knowledge, skills and competencies of the civil servants;

⁸² Ibid.

⁸³ E-mail questionnaire with Dejan Buha, Public Administration Reform Coordinator's Office, BiH.

⁸⁴ E-mail questionnaire with Dubravka Smolić and Dušanka Šulje, Croatia.

⁸⁵ Civil service training systems in the Western Balkan Region, ReSPA, December 2008, p. 8

- Improving use of modern technology;
- Strengthening capacities for EU membership.

Central institutions for the human resources management play an important role in setting up effective training of civil servants. Number of characteristics is common to all central human resource management units (CHRMU) in the Western Balkans. None of the CHRMU is developed in accordance with the concept of a “national public administration school” which both design and deliver training. The role of these institutions can be rather characterized as coordinating. Their primary tasks include the development of strategies, annual programs, and curriculums for training. However, Croatia has decided to establish a school of public administration in 2009,⁸⁶ while similar initiative also exist in Bosnia and Serbia. Croatia has also established the Academy of Local Democracy, which is engaged in designing and implementing training for local authorities.

Although the national training institutions have been established in all Western Balkan countries, many problems limit to a great extent their sustainability. An important issue refers to the **fragmentation of training policy**, “in particular the poor coordination of the training activities of line ministries and of the training provided in the context of international assistance programmes”.⁸⁷ In Serbia, Bosnia and Kosovo institutions that have a coordinating role for EU affairs at the same time are coordinating training programs in this area.⁸⁸In Albania, Croatia and Kosovo the training institutions closely cooperate with the main civil service management institutions.⁸⁹The Human Resources Management Authority (HRMA) in Montenegro conducts basic and general training programs, while the ministries implement specific (sectorial) programs.

The improvement of the necessary capacity of training institutions is a major challenge. In Montenegro, due to the lack of capacity for the implementation of training at the local level, the HRMA, although it also has problems with resources, recently has been working on the development of program for both the local and national level.

The capacity of training institutions to sustain achievements is directly linked to the budget funds allocated for their work. Therefore, the sustainability of budget policy for training institutions also greatly influences the quality of the training program.

Table 1: Allocated funds for the work of the Human Resources Management Authority in Montenegro

2013	2014	Increase (%)
1,033,872.19	1,092,459.43	5,67

Training of employees are funded from the state budget transferred to the training institutions, as well as ministries, taking into account the aforementioned fragmentation of training policy, and from the donor funds. “A common shared approach in the region is to earmark a percentage (e.g. 2 or 3%) of the civil servants’ total allocation for salaries to the funding of training.”⁹⁰ Considering the frequent limitation of the budgetary resources for the training institutions and line ministries, donor support for

⁸⁶ See: Decree on the establishment of the National School of Public Administration, NN 144/10

⁸⁷ SIGMA paper No. 48, p. 61

⁸⁸ Serbian European Integration Office, the Ministry of European Integration in Kosovo, and the Directorate for European Integration in Bosnia and Herzegovina

⁸⁹ The Civil Service Training Centre (CSTC), the Kosovo Institute of Public Administration (KIPA) and the Training Institute of Public Administration (TIPA) within the Ministry of Administration in Croatia, in the Ministry of Public Administration in Kosovo in the Ministry of Interior in Albania.

⁹⁰ Civil service training systems in the Western Balkan Region, ReSPA, p. 13

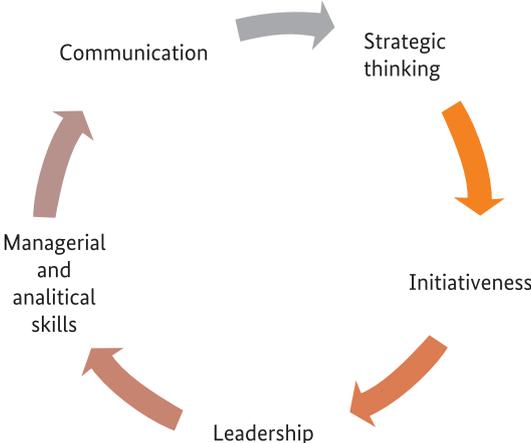
specific programs and capacity development is of particular importance. Institutional and managerial capabilities of the training institutions in the Western Balkan countries should be further strengthened and adequately supported financially.

Trainings that are planned, designed and provided to civil servants are usually basic. Complex training programs, which are focused on systematic weaknesses of the civil service, are a rarity. In Serbia, the European Integration Office develops training created on a training needs analysis, which is conducted annually and based on questionnaires filled in by members of the 35 negotiating working groups, as well as employees in EU departments in all ministries. Another important element in the designing of training are priority areas and identified deficiencies in the National Programme for Integration, as well as in the annual progress reports of the European Commission. Such approach applies HRMA in Montenegro this year based on inputs from ministries and key areas identified in the strategic documents (action plans for negotiating chapters).⁹¹ Quality of the training programs content could be improved if these programs are prepared, developed and implemented in cooperation with international schools for public administration.

Development of training programs and regular attending of these training sessions is important for the improvement of civil servants skills and competencies. However, the envisaged target group for which programs are intended does not always follow the training sessions, and very often civil servants due to its obligations cannot attend complete programs. Another limiting factors affecting the success of the implementation of training and lessons learned is that training is not regulated as a binding.⁹² As results of all these factors, civil servants in these countries believe that a dedicated training have a limited effect.

III.4.1 Competency⁹³ framework

“Competences are a crucial instrument in human resource management. It should be noted that the management of competence, on the one hand, and the effect, on the other hand, are long-term processes which have to be carried out through appropriate structures and with adapting organizational culture.”⁹⁴



Graphic 1: Key competencies for employees in the public administration⁹⁵

⁹¹ Interview with the Assistant director in the Department for training and staff development, HRMA Montenegro, October 24, 2014

⁹² Interview with the Assistant director in the Department for training and staff development, HRMA Montenegro, October 24, 2014

⁹³ Competence or competency means a person’s ability to perform certain tasks and jobs.

⁹⁴ Manual for Human Resource Management (Priručnik za upravljanje ljudskim resursima), Council of Europe, Belgrade, 2012, p. 28.

⁹⁵ Findings of the WG 2. “Defining Competencies for Positions related to EU Accession” at the conference “Building Human Capacities for EU Accession in the SEE Countries” held in Cavtat, October, 2014

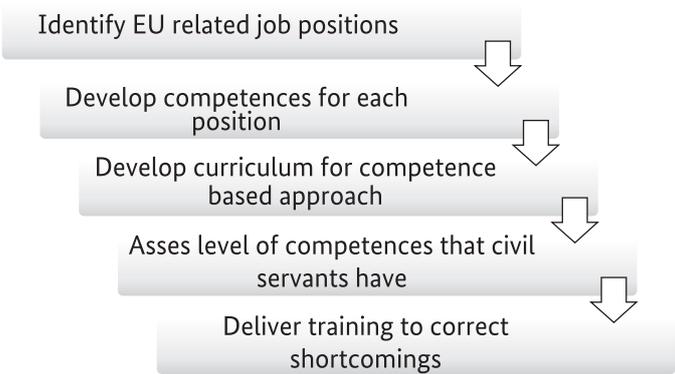
It is also important to highlight that the management competencies and performance management using the same instruments: training and assessment. While such an approach exists, for example, in Croatia and Macedonia, Montenegro and Serbia do not yet have a competency framework for civil service. However, HRMA in Montenegro has developed a methodology for HR planning in 2014. These plans (which should be developed in each state body) will be the framework for a gap analysis in all ministries, which should lead in the near future to the establishment of competency framework. By the end of 2014 HRMA will conduct training for employees engaged in HR planning.

In accordance with the necessary and required “gap analysis” conducted on annual basis in state bodies “individual approach” for strengthening the capacity can be established. The annual evaluation of the work of the employee and data on work, career and professional development in the Central human resources record may also be the basis for such approach.

III.4.2 Shortcomings in the law as a limitation for the implementation of training programs

Evaluation of employees is an important tool for both performance and competence assessment. Specified score and explanation should be the basis for training planning. However, in Montenegro, the Law on Civil Servants and State Employees and the Decree on the Criteria and Methods for Evaluation of Civil Servants and State Employees regulate evaluation of public administration employees by prescribing the continuous monitoring of the work of employees with the evaluation done on the annual basis, by January 31 of the current year for the previous year. Criteria for performance assessment are, inter alia, **the expertise, scope of work and timeliness of the performance of duties**. However, the performance assessment reviews are done in perfunctory manner, without a detailed explanation of the scores given, or the bases for giving the final performance assessment scores. A similar problem exists in Serbia, where around 80% of civil servants are appraised with the two highest grades.⁹⁶ Therefore, it is not possible to determine how attended training programs influenced the final assessment of employee performance. Also, an additional problem in Montenegro is that the Law on Civil Servants and State Employees stipulates that a civil servant with excellent grade for two consecutive years can pass in a higher pay grade (although this is barely possible due to the arrangement of wages with other legal act) but don’t have the possibility of career advancement.

This is one of the reasons for low interest of public administration employees in attending training programs. Public administration employees are only interested when training is directly linked to the description of their jobs, especially when applying new legislation.⁹⁷



Graphic 2: Steps in Competence-based approach in designing training programs⁹⁸

⁹⁶ Public Administration Reform Strategy in the Republic of Serbia, January 2014, p. 30.
⁹⁷ Interview with the Assistant director in the Department for training and staff development, HRMA Montenegro, October 24, 2014
⁹⁸ Presentation during the WG 2. “Defining Competencies for Positions related to EU Accession” at the conference “Building Human Capacities for EU Accession in the SEE Countries” held in Cavtat, October, 2014

In contrast to Montenegro and Serbia, for example, the Civil Servants Act in Croatia clearly highlights the link between training, annual assessment of the work of civil servants and career advancement.⁹⁹

With the opening of the Regional School of Public Administration in Danilovgrad (Montenegro) in 2006 training capacities of the WB countries have received significant support. Similar initiative of “providing logistical support to the formation of networks of public administration practitioners in Central and Eastern Europe and between these practitioners and their counterparts in other democracies”,¹⁰⁰ was launched earlier by SIGMA. However, the establishment of the Regional School of Public Administration in order to facilitate the integration of the Western Balkans was the recommendation of the European Commission.¹⁰¹ “ReSPA is providing training programmes to the mixed group of civil servants from the Western Balkans related to good governance, public administration reform and modernisation in view of the accession to the European Union.”¹⁰² Through seminars and conferences and networking of civil servants from the Western Balkans, ReSPA strengthens the capacity of public administrations, enabling them to influence and fulfil primarily Madrid and thus the Copenhagen criteria for EU membership. ReSPA provides support in strengthening the capacity of the public administration by “adapting” it to the principles of the European Administrative Space, but also by empowerment of the individual target groups in specific areas of the *acquis*.

III.5 Retaining the Best – the Challenge of Accession

III.5.1 Attracting and retaining staff as an indicator of success

Attracting and retaining qualified staff in the public administration has been a challenge accompanying the entire accession process, especially during and after the big-bang enlargement of 2004 and 2007. The countries negotiating accession at that time were simultaneously transforming their civil and public administration systems and adapting them to the requirements of the EU. In this context, “new staffs with new skills were needed at almost all levels of the administration. It is clear that the accession process contributed to upgrading the skill profile of civil servants and played a role in rejuvenating public administrations.”¹⁰³ The retaining of the best staff with experience and knowledge is directly linked to the fulfilment of the administrative capacity criterion for EU accession, which has been one of the key impediments. In such circumstances, the attracting and retaining of qualified staff is clearly a key variable for success of both administrative reforms and EU accession as a goal. In fact, at a general level, SIGMA has concluded that “the single largest driver of performance within the public sector is the retention of skilled and competent staff.”¹⁰⁴

⁹⁹ Articles 83 and 90, the Civil Servants Law of Croatia, Official Gazette 92705, 142/06, 77/07, 107/07, 27/08, 34/11, 49/11, 150/11, 34/12, 49/12, 37/13, 38/13, available at: <http://www.zakon.hr/z/108/Zakon-o-dr%C5%BEavnim-slu%C5%BEbenicima>

¹⁰⁰ “European Principles for Public Administration”, *SIGMA Papers* (1998) No.27,

¹⁰¹ Communication from the Commission, “The Western Balkans on the Road to the EU: Consolidating Stability and Raising Prosperity”, COM (2006) 27 final, 27 January 2006, available at <http://eur-lex.europa.eu/LexUriServ/site/en/com/2006/com2006_0027en01.pdf>.

¹⁰² See: web presentation of the Regional School of Public Administration (ReSPA) <http://www.respaweb.eu/39/activities/1/training-highlights>

¹⁰³ OECD - SIGMA, “Can Civil Service Reforms Last?” SIGMA Working Paper . Available at: http://www.rcpar.org/mediaupload/publications/2010/20100311_SIGMA_can_reforms_last.pdf

¹⁰⁴ A. Ketelaar, N. Manning and E. Turkisch, “Performance-based Arrangements for Senior Civil Servants OECD and other Country Experiences,” Working Papers on Public Governance, No. 5 (OECD Publishing, 2007). Available at: <http://dx.doi.org/10.1787/160726630750>

During the accession process, it was common for governments to invest in funding of the development of skills and expertise of staff working on the EU accession process, as elaborated earlier in these proceedings. Retaining these civil and public servants in a system with non-competitive remuneration has been a specific problem both before and after enlargement. The non-competitive salaries have resulted in high turnover rates of civil servants.¹⁰⁵ According to Batory,

*“the recruitment and retention of well-qualified staff, in particular with legal and economics/finance backgrounds, are hindered by low pay and status benefits as well as a perception of poor career prospects in the civil service in the CEECs. The fluctuation of staff – caused especially by young professionals leaving to find better-paid jobs in the corporate sector – in turn deprives governmental agencies and courts of crucial operational experience”.*¹⁰⁶

According to Staroňova and Gajduschek, the core issues in relation to administrative capacity for the EU accession process are: attracting and retaining young and qualified staff, attract professionals from practice to conduct reforms for a limited period of time in a period of fiscal constraints. In relation to the first aspect, many countries have resorted to introducing incentives to attract and retain qualified staff in the public service. The most common form of incentives have been discretionary pay instruments. Almost all of the countries of the 2004/2007 enlargement at a certain point introduced pay related incentives in order to keep qualified staff in the administration. Discretionary instruments to boost salary levels of key officials were already very important during the pre-accession period, when it would have been difficult to retain them without paying higher salaries and the loss of these officials would have been potentially very costly for the government.¹⁰⁷ In a recent study by SIGMA, Poland and the Czech Republic have been singled out as countries which introduced special bonus schemes for civil servants working on EU-related matters.¹⁰⁸ Slovakia in 2003 introduced two distinctive posts with permanent special bonuses: the nominated civil service and posts of ‘superior significance’.¹⁰⁹ According to Staroňova et al. “posts of superior significance have a permanent special bonus to monetary salary base of 50-100% of their tariff salary”.¹¹⁰

While retaining staff in the public administration is one side of the coin, the second aspect is also attracting staff from specialised professions to work on the European agenda, which requires bringing also people from the field to work on a specific issue for a limited time. According to Rabrenovic, positions such as high level IT specialists or financial specialists may be difficult to hire in the civil service due to high level of remuneration they can obtain in the private sector and in this case special incentives would be required in any case. 111

¹⁰⁵ Katarína Staroňová and Gyorgy Gajduschek, “Politico-Administrative Relations in Slovakia and Hungary: Road to professionalisation of Civil Service?” Available at: http://www.psa.ac.uk/sites/default/files/279_178.pdf

¹⁰⁶ A. Batory, “The Legal implications of EU enlargement, Royal Institute of International Affairs,” European Programme Working Paper Series (Royal Institute of International Affairs, European Programme, 2003). Available at: <http://www.pedz.uni-mannheim.de/daten/edz-k/gde/03/LIEUE.pdf>

¹⁰⁷ Meyer-Sahling, “Sustainability of Civil Service Reforms in Central and Eastern Europe Five Years After EU Accession,” *SIGMA Papers*, No. 44.

¹⁰⁸ Ibid.

¹⁰⁹ Katarína Staroňová, Ľudmila Staňová, Zuzana Jajcayová, “Innovative Elements in Civil Service Reform in Slovakia,” Research Paper 5/2013 (Association for International Affairs and Pontis Foundation, October 2013): p. 22. Available at: http://www.amo.cz/editor/image/produkty1_soubory/amo_par_3_slovakia.pdf

¹¹⁰ Ibid.

¹¹¹ Aleksandra Rabrenovic, “Main principles and approaches to civil service pay reform: Example of Western Balkan countries.” Available at: http://www.nispa.org/files/conferences/2013/papers/201305070652020.paper_Rabrenovic.pdf?fs_papersPage=4

III.5.2 Retaining staff post-accession: motivating the civil servants

Post-accession, the new member states have been faced with even bigger pressure due to the potential of losing qualified staff to the newly opened EU market as well as the EU institutions. In these conditions, the retaining of staff is important not only for the institutional memory and the expertise, but also because of the challenges that the EU membership poses to the administration. Foremost, the retaining of staff post-accession is important for the effective coordination of EU affairs in the new capacity of these countries as EU members and representation of the respective country positions' in Brussels. This is a challenging task as has been explained by Verheijen:

*“in the run up to the EU accession, administrations were able to retain talented staff as “postponed rewards” of future positions in EU institutions or the private sector beckoned for those involved in EU accession preparation. Post-accession this particular incentive no longer applies. States have since grappled with the issue of how to attract staff in an increasingly politicized civil service system”.*¹¹²

In the assessment of the four year EU membership of Poland, the Polish Office of the Committee for European Integration notes that “the fulfilment of the employment quotas in the EU institutions envisaged for Poland has also adverse consequences, mainly in the form of outflow of experienced employees from Poland’s government administration.”¹¹³ This loss of staff is also linked to the “instability of legal solutions concerning civil service or financial terms of employment”.¹¹⁴ Kajnc and Svetličič have held an opposite view with regards to Slovenia by arguing that the knowledge acquired will not be fully lost “provided that Slovenian public administration will be able to keep permanent contact with them and that they, perhaps after a certain period, return to Slovenia with newly acquired knowledge.”¹¹⁵

Research on the effects of enlargement on Bulgaria has argued that “the drain of competent administrators away from civil service towards private business, consultancy firms and abroad additionally aggravated the state’s policy making capacity”.¹¹⁶ In the case of Bulgaria, additional payments with substantial contribution to the progress of the accession process, mainly for the civil servants in the EU Directorates were introduced immediately after accession.¹¹⁷ According to interviews conducted for this study “while attracting and retaining qualified staff, these measures also contributed to attracting political appointments. They also made cooperation more difficult between *European* directorates and the rest of the administration and often led to outright opposition to European affairs”.¹¹⁸ In a study of the motivation of the attractiveness of the Bulgarian civil service, Zankina argues that “the most widely used motivation factors in recent years have been information and technological security, improving the quality of the physical environment, and training, which compensate for the low pay. She also links the higher success of motivating civil servants by the central administration to the work with EU projects.”¹¹⁹

¹¹² T. Verheijen et al., “EU-8 Administrative Capacity in the New Member States: The Limits of Innovation?”

¹¹³ Wiśniewski et al., “4 years of Poland’s membership in the UE Analysis of social and economic benefits and costs,” Office of the Committee for European Integration (2008). Available at: http://ec.europa.eu/enlargement/pdf/5th_enlargement/facts_figures/4_years_poland_en.pdf

¹¹⁴ Ibid.

¹¹⁵ Sabina Kajnc and Marjan Svetličič, “What it Takes to Run an EU Presidency: Study of Competences in Slovenia’s Public Administration,” *Halduskultuur – Administrative Culture* 11, 1 (2010): 84-109.

¹¹⁶ Krassimir Nikolov & Kaloyan Simeonov, “The Effect of EU accession on Bulgaria,” in Graham Avery, Anne Faber and Anne Schmidt *Enlarging the European Union: Effects on the new member states and the EU* (Trans European policy studies association, Brussels, 2009): p.79. Available at: http://www.um.edu.mt/_data/assets/pdf_file/0017/71054/Enlarging_the_European_Union.pdf

¹¹⁷ E-mail questionnaire with the Former Counsellor of the Prime Minister of Bulgaria, (October 2014).

¹¹⁸ Ibid.

¹¹⁹ E. Zankina, “The growing attractiveness of the Bulgarian civil service: Fact or myth?” Paper presented at NISPACEE conference. Available at:

In addition to presenting an impediment for the general retaining of staff in the administration, the EU membership also poses specific challenges to the administration post-accession, which have resulted in specific targeted policies. Such is, for example, the preparation of the EU presidency that necessitates mobilisation of significant administrative resources by the respective country which holds this post. For Skoczek, “the most crucial factor in determining the readiness of the public administration for the tasks resulting from the function of the EU Presidency is having effective, well prepared and motivated human resources”.¹²⁰ In response, the EU member states have commonly introduced bonuses when preparing the Presidency of the European Union. Poland introduced bonuses for civil servants working on the EU presidency, although as a result of the financial crisis these were not paid in 2010 due to financial constraints, illustrating some of the problems of such targeted schemes.¹²¹ Similarly, Slovenia had introduced extra bonuses during the EU presidency, which were considered necessary due to the workload that this specific task created.

III.5.3 Retention schemes: assessment of impact

Although widely used, the impact of these schemes targeting the retaining of staff post-accession remains to be assessed. In literature, there are conflicting views on the role of these incentives on the overall public administration system and fairness. On the one hand, the increased salaries can be justified due to the high demand for certain skills. At a policy level, however, the special incentives have also been criticised as there is no proof of their effectiveness and are likely to create more problems than they resolve.¹²² Similarly to the latter position, interviews performed for this study have argued that “the pay related incentives had limited effects upon the retention supported the retention of qualified staff upon accession”.¹²³ An interview from Lithuania also argued that such schemes had a limited impact, because post-accession it was considered to be a privilege working on EU affairs.¹²⁴ These positions therefore largely are in line with SIGMA’s recommendations for the implementation of incentive based schemes in the Western Balkans as the region next in the queue for EU accession. According to Meyer-Sahling, “variable bonus payments and vaguely regulated supplements and allowances should only have a small role” in incentivising civil servants.¹²⁵

Moreover, in a study of the administrative capacity in 8 of the new EU member states, Verheijen has concluded that at a general level, “the development of incentive systems that would make the public administration a sufficiently attractive employer for talented staff remains a key issue”.¹²⁶ In the same vein, an interviewee from Bulgaria argued that “the accession process gains more benefits by the additional incentives for each of foreign language used in daily work, performance based salaries and similar measures for the administration as a whole”.¹²⁷ Such an example could likely be drawn from the case of Lithuania, where the general staff turnover post-accession has been substantially lower than

http://www.nispa.org/files/conferences/2013/papers/201305070654030.Paper_Zankina.pdf?fs_papersPage=4

¹²⁰ Joanna Skoczek, “The Polish Presidency of 2011 – a Challenge and Opportunity.” Available at: http://www.ce.uw.edu.pl/pliki/pw/y12_skoczek.pdf

¹²¹ Ibid.

¹²² Franciso Cardona, “Performance Related Pay in the Public Service in OECD and EU Member States,” Seminar on “Remuneration Systems for Civil Servants and Salary Reform,” OECD (Vilnius, 14 December 2006). Available at: <http://www.oecd.org/countries/lithuania/38707630.pdf>

¹²³ E-mail questionnaire with Former Counsellor of the Prime Minister of Bulgaria.

¹²⁴ E-mail questionnaire with a former member of the negotiating teams of Lithuania (conducted in October, 2014).

¹²⁵ Meyer-Sahling, “Civil Service Professionalisation in the Western Balkans,” *SIGMA Papers*, No. 48, p.55.

¹²⁶ T. Verheijen et al., “EU-8 Administrative Capacity in the New Member States: The Limits of Innovation?”

¹²⁷ E-mail questionnaire with Former Counsellor of the Prime Minister of Bulgaria.

before accession.¹²⁸ Lithuania in general has been considered as a frontrunner in continued civil service reform, rather than solely policies targeting the administration that has worked on EU related matters.

Overall, from a more general perspective, almost a decade after accession, the impression is that there has been backsliding of the overall reform processes that aimed at creating professional and depoliticized civil service in the new member states. According to Beblavy, by 2007, “there was not a strong and independent civil service regulator in any of the eight post-communist countries that joined the EU in 2004”, thus indicating a general trend towards backsliding.¹²⁹ Verheijen, on a similar note has concluded that “stepping up dialogue inside the EU on administrative capacity issues would help to keep administrative capacity issues on the agenda post-membership” and likely to contribute more significantly to the retaining of qualified staff rather than programmes offering special incentives.¹³⁰

In conclusion, the research on the role of incentives in retaining staff post-accession conducted for this study has brought about conclusions largely in line with existing SIGMA’s research. It is evident from research that incentives have been employed both during and after accession, as has been discussed in these proceedings as well. Their impact however, has remained questionable. The general impression from our interviews with former officials and civil servants in Bulgaria and Lithuania is that measures targeting a segment of the administration selected on the basis of their policy area (EU accession) are not a long term solution for retaining staff. Such measures, while partly beneficial, can also lead to a distortion of the public administration/civil service systems.

¹²⁸ Vidmantas Adomonis, “Building a civil service for EU membership: Democracy and Market Economy - Lithuania,” Conference on Public Administration Reform and European Integration (Budva, 26-27 March 2009).

¹²⁹ M. Beblavy, “European Union Influence on Institutional Lock-in in the Countries in Transition,” Background Paper, (World Bank, Washington, DC, 2010).

¹³⁰ T. Verheijen et al., “EU-8 Administrative Capacity in the New Member States: The Limits of Innovation?”

IV. Conclusion – Meeting the Administrative Challenge

During the process of accession negotiations, candidate countries in the region will face increasing levels of workloads and increasing burdens on their public administrations. Therefore, it is in the interest of these states to have highly trained and qualified civil servants, who will carry out this process. The outcome of negotiations will be more favourable if executed by skilled professionals. This is why it is necessary for states to invest in building and strengthening human resources and capacities. The tools and approaches to achieve that, however, have remained subject to some debate.

Whereas some tools, such as the scholarship programmes for EU postgraduate studies and national civil service training programmes, are generally not questioned, given that they are usually made available to all civil servants under the same conditions and in some cases even to the wider public, others have been contested widely. This is particularly true of the specialised incentives schemes for civil servants working on EU affairs (for the purposes of this study called the “Eurocrats” schemes), both in the pre-accession and post-accession context. Whereas in the pre-accession context this tool has been used to attract and motivate highly skilled staff to work in the civil service by several countries, it has had mixed results with regards to the overall capacity of the administration. Moreover, creating and enforcing such schemes supports the understanding that the EU accession project can be managed by a limited pool of highly motivated civil servants, without understanding that the actual process of turning a (formerly socialist) state into an EU member is an all-encompassing transformative process which must engage the entire administrative system, including those civil servants who only come in contact with the EU through the enforcement of the new national legislation and ways of work.

The majority of Western Balkans countries have established formal rules on human resources management, including schemes of competence-based positions, which if consistently implemented, would result in sound human resources policy. In order to establish a successful human resources policy for the accession process these countries would need to set up a clear division between political and professional posts. The EU should strictly monitor and evaluate the achievements in the public administration reform in the candidate countries, which has been facilitated with the new monitoring framework developed by SIGMA.

On Special Incentives and Staff Retention

Countries that have opted for the special conditions and privileges in order to maintain the required and attracted a professional staff consider these practices as justified in the context of increased demand for qualified personnel which were not easy to attract to work in public administration. However, as underlined hereinbefore, many controversial aspects of using “special motivational packages” can be marked. Incentives targeting special groups of the administration (such as special bonuses etc.) may be beneficial as a short term measure, but they are not a solution for long term staff retention. Therefore, special incentives should be linked either with the complexity of job (applying to all parts of public administration) or in accordance to the performance of employees. In both cases criteria for targets should be clear, transparent and well in place.

The European integration process implies the involvement of the entire public administration. Additionally, the term “EU affairs” is not easy to define and usually as such does not exist in official documents. Therefore, the application of “special incentives” cannot easily be justified. Overall administrative reforms which would make the administration a more competitive workplace would be a more sustainable solution to attracting and retaining qualified staff during and post-accession. The discussions on administrative capacity between the EU and an acceding country should remain on the agenda post-membership in order to avoid backsliding.

On EU Scholarship Schemes

Keeping in mind the depth, complexity and length of the negotiations process, from the very beginning of the process states need to work to strengthening the expertise of their civil servants, building close connections with their European colleagues and staying informed about news and happenings in the EU. States must demonstrate that they are credible and coherent candidates and investing in human resources and ensuring that they have trained civil servants who will be able to successfully perform the required expert and technical tasks related to the membership negotiation process is crucial to this and it is this recommendation that should be thoroughly considered by all candidate states.

In addition to increasing the knowledge and skillset of the civil service for EU affairs, the EU scholarship schemes create other benefits. Candidate (and later member states) get to integrate their civil servants into alumni networks and networks of employees of the EU and EU member state institutions. The contractual obligation for the scholarship recipient ensures that the state can benefit for a while from the new knowledge and skills, but this obligation should also be kept at a proportional level so as not to infringe unduly on the beneficiary's right to choose a career. It is also of utmost importance to ensure that upon return from the studies the beneficiaries can actually fully apply their new knowledge and skills.

In the process of creating scholarship programmes, states should strive to ensure adequate co-funding from the EU or individual member states so as to reduce the "burden" on their own budgets, while maximizing impact. Involvement of external funding sources also increases the pressure to ensure full transparency and meritocracy in the selection process, thus assuring that the best candidates are awarded the scholarships. To ensure efficiency and maximum benefit from the programme to the administration, in the case of some countries changes to the legal framework have been necessary.

On Training Institutions

Central civil service (training) institutions should be able to provide effective framework for trainings of civil servants. Therefore:

- Focus has to be paid on strengthening capacity of the central training institutions;
- To increase the quality of the training, programs should be prepared, developed and implemented in cooperation with international schools for public administration;
- Training programs should be developed in accordance with the previous assessment and as response to systemic weaknesses of public administration;
- An important step during the training program design is identification of the "critical points", when the capacity of the public administration is in question, recognized through key strategic documents;
- It is necessary to ensure that specific trainings are attended by adequate target group;
- Training should be regulated by law as a basis for career advancement and should influence the evaluation of employee performance on an annual basis;
- Annual assessment of employees and their records within the central human resources register should be important component in planning their professional development, and planning of training in general;
- Evaluation has to serve as a basis for training development and, therefore, development of competence and the quality of public services;
- Act on internal organisation and systematisation of public authority should provide a competency framework that would help the planning and implementation of training programs;

Literature and sources:

- Batory, A, "The Legal implications of EU enlargement, Royal Institute of International Affairs." European Programme Working Paper Series. Royal Institute of International Affairs, European Programme, 2003.
- Beblavy, M. "European Union Influence on Institutional Lock-in in the Countries in Transition." Background Paper. World Bank, Washington, DC, 2010.
- Cardona, Franciso. "Performance Related Pay in the Public Service in OECD and EU Member States." Seminar on "Remuneration Systems for Civil Servants and Salary Reform." OECD, Vilnius, 14 December 2006.
- Cvetkovska, Saska. "Want to Work? Join the Party': Contacts Trump Merit in Balkan Job Market." Balkan Investigative Research Network, 13 December 2012.
- Decision on establishment of the negotiation structure for accession of Montenegro to the European Union. Official Gazette of Montenegro 9/2012. 10 February 2012.
- Decree on the Amendments to the Civil Service Act. Government of the Republic of Croatia. 19 July 2007.
- Dimitrova, Antoaneta and Dimiter Toshkov. "Post-accession compliance between administrative co-ordination and political bargaining." In: Frank Schimmelfennig and Florian Trauner (eds): Post-accession compliance in the EU's new member states, European Integration online Papers (EIoP), Special Issue 2, Vol. 13, Art. 19. 2009.
- Džankić et al. "Public Administration in Montenegro: salary schemes, reward system and opportunities for professional advancement in law and in practice." Institut Alternativa, 2008.
- Ekiert, G. "Dilemmas of Europeanisation: Eastern and Central Europe after the EU Enlargement." *Acta Slavica Iaponica*, Tomus 25 (2008): pp. 1-28.
- EUROPA. Summaries of EU legislation – Charter of Fundamental Rights. Last updated 06/05/2010. Available at: http://europa.eu/legislation_summaries/justice_freedom_security/combating_discrimination/l33501_en.htm
- European Commission. "Communication from the Commission to the European Parliament, the Council, The European Economic and Social Committee and the Committee of the Regions, Enlargement Strategy and Main Challenges 2014-15." Brussels, 8.10.2014 COM (2014) 700 final.
- Goetz, K. "Postcommunist Central Administration: a Case of Belated Modernisation." *Journal of European Public Policy* 8:6 (December 2001): 1032-1051.
- Greskovits, B. *The Political Economy of Protest and Patience: East European and Latin American Transformations*. Central European University Press: Budapest, 1998.
- Kajnič, Sabina and Marjan Svetličič. "What it Takes to Run an EU Presidency: Study of Competences." *Halduskultuur – Administrative Culture* 11, 1 (2010): 84-109.
- Ketelaar, A., N. and E. Turkisch. "Performance-based Arrangements for Senior Civil Servants OECD and other Country Experiences." Working Papers on Public Governance, No. 5. OECD Publishing, 2007.
- Magstadt, Thomas. *Nations and Government: Comparative Politics in Regional Perspective*. Library of Congress: USA, 2011.
- Manual for Human Resource Management (Priručnik za upravljanje ljudskim resursima). Council of Europe, Belgrade, 2012.
- Mayhew, A. "The Preparation of Countries in South East Europe for Integration into the European Union." SIGMA. OECD, 2005.
- Meyer-Sahling, Jan-Hinrik. "Sustainability of Civil Service Reforms in Central and Eastern Europe Five Years After EU Accession." SIGMA Papers, No. 44. OECD Publishing, 2009.
- Meyer-Sahling, Jan-Hinrik. "Civil Service Professionalisation in the Western Balkans." SIGMA Papers, No. 48. OECD Publishing, 2012.

- Milošević, Milena and Milena Janketic. "Recruitment and Promotion in State Authorities." Quarterly Monitoring Report (January 01 - April 01, 2013). Institut Alternativa, 2014.
- Nehl, Hanns Peter. "Administrative Law." In Elgar Encyclopaedia of Comparative Law, ed. J.M. Smits. Edward Elgar Publishing, 2006.
- Nikolov, Krassimir&KaloyanSimeonov. "The Effect of EU accession on Bulgaria." In Graham Avery, Anne Faber and Anne Schmidt Enlarging the European Union: Effects on the new member states and the EU. Trans European policy studies association, Brussels (2009): p.74-85.
- OECD - SIGMA. "Can Civil Service Reforms Last?" SIGMA Working Paper.
- OECD - SIGMA. "The Principles of Public Administration." OECD, November 2014.
- OECD - SIGMA. "The Principles of Public Administration" – Summary. OECD, November 2014.
- OECD. "European Principles for Public Administration." SIGMA Papers, No. 27. OECD Publishing, 1999.
- OECD. "Preparing Public Administrations for the European Administrative Space." SIGMA Papers, No. 23. OECD Publishing, 1998.
- Profiroiu, Marius, Alina Profiroiu and Tudorel Andrei. "Young professionals scheme (YPS): A new approach and challenge for training institutions in Romania." NISPAee Conference Paper.
- Public Administration Reform Strategy. Government of the Republic of Serbia. January 2014.
- Rabrenovic, Aleksandra. "Main principles and approaches to civil service pay reform: Example of Western Balkan countries." Available at: http://www.nispa.org/files/conferences/2013/papers/201305070652020.paper_Rabrenovic.pdf?fs_papersPage=4
- Regional School of Public Administration. "Attractiveness of Civil Service in the Western Balkans." OECD Publishing, February 2009.
- Regulation on the job titles and job complexity coefficients in the civil service (Uredba o nazivima radnih mjesta i koeficijentima složenosti poslova u državnoj službi). Republic of Croatia.
- Schwarze, J. European Administrative Law. Sweet & Maxwell: London, 1992.
- Skoczek, Joanna. "The Polish Presidency of 2011 – a Challenge and Opportunity Slovenia's Public Administration." Available at: http://www.ce.uw.edu.pl/pliki/pw/y12_skoczek.pdf
- Staroňová, Katarína and Gyorgy Gajdushek. "Politico-Administrative Relations in Slovakia and Hungary: Road to professionalisation of Civil Service?" Available at: http://www.psa.ac.uk/sites/default/files/279_178.pdf
- Staroňová, Katarína, Ľudmila Staňová, Zuzana Jajcayová. "Innovative Elements in Civil Service Reform in Slovakia." Research Paper 5/2013. Association for International Affairs and Pontis Foundation, October 2013.
- The Law on Civil Servants and State Employees of Montenegro. Official Gazette of Montenegro, No. 39/11, 50/11, 66/12.
- UNDP, SEIO. "Introducing a "Eurocrats" Scheme for Serbia, Gathering New EU Member States' Experiences & Discussing Available Options." Report on Round Table. Belgrade, 2007.
- United Kingdom Commission on Social Mobility and Child Poverty Commission. "Elitist Britain." August 2014.
- Verheijen, T. et al. "EU-8 Administrative Capacity in the New Member States: The Limits of Innovation?" Study. World Bank, December 2006.
- Vidmantas, Adomonis. "Building a civil service for EU membership: Democracy and Market Economy - Lithuania." Conference on Public Administration Reform and European Integration. Budva, 26-27 March 2009.
- Wiśniewski et al. "4 years of Poland's membership in the UE Analysis of social and economic benefits and costs." Office of the Committee for European Integration, 2008.
- Zankina, E. "The growing attractiveness of the Bulgarian civil service: Fact or myth?" Paper presented at NISPACEE conference.