

TERMS OF REFERENCE: CONCEPT AND METHODOLOGY FOR SEE DECENTRALISATION OBSERVATORY

Title: Regional Expert on Decentralisation Assessment (Albania, Bosnia and Herzegovina, Kosovo*, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia and EU Member States)

Starting Date: 1 September 2016 (indicative)

Reporting to: NALAS

Duration: September - December 2016 (8 working days)

Application Deadline: 08 August 2016

I BACKGROUND

Purpose

The purpose of the consultancy is to assist in the implementation of the SEE 2020 – Jobs and Prosperity in European perspective (hereinafter: “SEE 2020” or “Strategy”), particularly in the area of Effective public services under the Governance for Growth pillar of the Strategy. The main expected output is elaborating a Concept and Methodology for South Eastern Europe Decentralisation Observatory as described in the Chapter II of these ToR. The purpose is also to facilitate the implementation of the Regional Action Plan (hereinafter: RAP) in the field of Effective Public Services as well as facilitate work of the Network of Association of Local Authorities of South-East Europe (NALAS) which is acting as one of the dimension coordinators in the Governance for Growth Pillar of the SEE 2020 Strategy.

Background Information

The Regional Cooperation Council (RCC) Secretariat, working upon the request of the countries of the Southeast Europe Cooperation Process (SEEC) as well as the European Commission (EC), coordinated the development of a regional growth strategy titled “SEE 2020 – Jobs and Prosperity in European Perspective”. The main goal of the Strategy is to help boost competitiveness and job creation, and to underscore the European perspective of the region’s future. The success of the SEE 2020 depends on achieving high and sustained economic growth as well as making progress in catching up with the EU. In this respect, by 2020 the region plans on achieving 11 ambitious headline targets in the five main growth pillars of the Strategy – integrated, smart, sustainable and inclusive growth, underpinned by good governance. The target guiding the activities under the Governance for Growth pillar envisions increasing government effectiveness by 20% by 2020, as measured by the World Bank Institute’s governance indicators.

NALAS (www.nalas.eu) was established in 2001 under the auspices of the Stability Pact and the Council of Europe. Today, it represents 15 national or regional local government associations who represent more than 8000 local governments directly elected by around 80 million people. NALAS builds partnerships in order to contribute to the reconciliation and stabilisation process in the region and henceforth contributes to the process of the European integration of the whole region, as well as regional development. NALAS has been undertaking regional monitoring of various aspects of decentralisation and public service delivery at local level across relevant international and regional standards and the European Charter for Local Self-Governments and the findings have been discussed at

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence

many regional conferences, consultations, communications, etc. The idea of the Decentralisation Observatory is a follow up of those discussions, and expressed will of the network members to have a systematised, holistic and bottom up approach in monitoring the trends and design of policy agenda in accordance with evidence-based findings. The proposed action is designed following the consultations inside NALAS, the Network of Associations Local Authorities of South East Europe and extensive exchange with member Local Government Associations, CSOs, Mayors, expert in local competencies and public services, etc.

Public administration reform has strong national connotation, therefore most of the work has to be done on national level. Yet regional intervention could enhance national efforts in the governance improvement, especially through peer pressure which means that individual countries act more efficiently and adopt best practices, benefit mutually from shared experiences and learning processes, because of competition and cooperation with their peers. In June 2014 RCC prepared RAP for the implementation of the SEE 2020 – Effective Public Services dimension in cooperation with regional dimension coordinators Regional School for Public Administration (ReSPA)) and the Network of Association of Local Authorities of South-East Europe (NALAS), which deal with the local and regional aspects of the Strategy. Action I of the RAP is Upgrading Policy and Regulatory Capacity and one of four activities of Action I is Establishing a Regional Decentralisation Observatory in SEE. While indicators for level of decentralization and good practice exist, Regional Decentralisation Observatory (hereinafter: RDO) is not a standard tool, and there are considerable measures for introducing its scope of application, depth, elements and impact on governance.

There is a need to improve the application of the Subsidiary Principle in delivery of public services in SEE, in compliance with the standards stated in the European Charter of Local Self-Government. This becomes essential while monitoring the progress in adapting the national legal system to EU acquis and introducing relevant measures for improvement of investment climate through changes in the national regulatory frameworks that, far from passive adoption, require policy choices tailored to each country's economy. It will enable conditions for informed decision-making towards establishing a RDO in SEE. By addressing this need, the stakeholders from the SEE region will in overall move towards a better evidence-based decision environment and their mutual interaction ties will strengthen which will set the priorities and will indicate major actions towards establishing regional for South Eastern Europe knowledge facility that provides relevant, regular and reliable data on decentralisation. This particular action will result in a feasibility study Concept and Methodology for Establishing South Eastern Europe Decentralisation Observatory that will provide vision for enhancing the design and coordination of activities under the SEE2020 pillar Governance for Growth Dimension Effective Public Services and indicate new and innovative ways for steering policy cycle at regional, national and local level of governance. The Concept and Methodology will identify the extent and scope, as well as methodology for establishing the SEE RDO in complex multi-stakeholder multi-layer governance environment. The Concept and Methodology, as result of this action, will also identify and present a number of possible strategic and operational solutions for establishment of the Regional Decentralisation Observatory.

NALAS has continuous experience in monitoring fiscal decentralisation at regional level in South Eastern Europe. Its Annual Report on Fiscal Decentralisation Indicators started with the first edition in 2012 and is being widely used in the region, and also referred to by OECD in its framework for estimating the indicators for implementing the Governance for Growth Pillar. By expanding the scope of the observed indicators to other domains of local governments' competence, to name a few indicators reflecting core local services like waste management, water management, investments in energy efficiency in public buildings, urban planning and so on, the Observatory will describe full picture of local tier that will reflect the impact and also may suggest possible solutions for improving governance at all levels that would enable investment and growth. The Concept and Methodology for SEE Decentralisation Observatory will build upon already well established mechanism and will enable this mechanism to be

upgraded and enriched with both qualitative and quantitative indicators. Of special added value will be the recommendations for establishing the Observatory in its legislative framework, modus operandi, required capacities at all levels of competence, and possible innovative solutions for improving the capture and monitoring of the Governance for Growth Pillar implementation within SEE 2020 Strategy.

The role of RDO will be also to provide a detailed and systematic appraisal of the impacts of regulations planned or already in force in order to assess or assist the regulations to achieve the desired objectives while providing the conditions for implementation of measures for improvement of investment climate at all governance levels.

A properly established RDO systematically examines the impact from government regulation and communicates this information to decision-makers, develops or improves capacities for regulation implementation and enables regional exchange and dialogue accordingly. RDO promotes inter-governmental dialogue and government accountability by setting examples and demonstrating how the coordination of regulation implementation will impact on investment climate and therefore the society and communities. RDO also needs the development of relevant skills within the government institutions; skills and mechanisms for inter-governmental dialogue and coordination amongst the stakeholders.

RDO requires the extension of consultation process to ensure that appropriate information is collected and analyzed in assessing regulatory impact, and that appropriate measures are taken to ensure best practices are identified/introduced, showcased and applied throughout the SEE region. RDO needs to be promoted within government if it's to be used consistently and become a normal feature of regionally supported policy-making and implementation. It needs clear and powerful political support within national and sub-national tiers of government to avoid lack of interest and inertia. This requires substantial learning on the part of public sector and key stakeholders who interact in a new dynamic of public-private problem solving and accountability. RDO has to become a system through which governments speed up learning and capacity building in EU regulation adaptation and negotiation process at all levels of governance.

II DESCRIPTION OF RESPONSIBILITIES

Objectives and scope of the assignment

The main objective of the assignment is to conduct a comparative overview on existing practice/experience related to Regional Decentralisation Observatory, as described above, in the area of Effective Public Services as well as to co-design a concept and a set of recommendations for establishment of the RDO within NALAS.

More specifically, the report in question should contain:

- (i) brief (2 pages) narrative part explaining the regional context, rationale, relationships between different governance levels, and main stakeholders, and main challenges and their possible mitigation in terms of conducting RDO,
- (ii) description of the status of RDO establishment at SEE level and potential for introducing in each of the economies covered by SEE 2020 (10 pages or more) taking into consideration:
 - development of RDO process for each beneficiary,
 - institutional framework (body responsible for coordination of RDO),
 - legal framework (how RDO is defined – Rules of Procedure of the Government; does RDO relate only to laws or also to bylaws and strategies; policies or areas of competence of RDO, mandate)

- Applicability and implementation of RDO actions and recommendations while adhering to the decentralization and subsidiarity principles
 - comparison of forms/templates for RDO, including those designed for different level tiers of governance, decentralization measurement, including indirect, indicators
 - human resources capacity (who conduct RDO – public officials or external experts, who provides funds for RDO in case of external experts),
 - Financial resources for RDO strengthening and functioning.
 - trainings provided for conducting and implementing RDO (how often, how many people),
 - quality of the monitoring and reporting (is there regular monitoring, who reports whom, who is coordinator for the whole process),
 - in-depth interviews of key stakeholders in each beneficiary regarding applicability of RDO products in legislative process (or is it use only as formal enforcement of administrative obligation),
 - recommendations for establishing the Observatory in its legislative framework, modus operandi, required capacities at all levels of competence, and possible innovative solutions for improving the capture and monitoring of the Governance for Growth Pillar implementation within SEE 2020 Strategy
 - existence of any toolkit for effective implementation of RDO (overview);
- (iii) best practices in conducting RDO or similar initiatives in EU countries and EU institutions (1 page);
- (iv) Identifying the systems which would be applicable in the beneficiaries and recommendation of different toolkits (regional handbook etc.) which would help to implement RDO and suggestion for follow-up (2 pages or more).
- (v) Recommendations on promotion and dissemination of RDO amongst various tiers of government (1 pages).

To elaborate the above described Concept and Methodology for Establishment of SEE RDO, there are foreseen the following activities:

1.1 Desk research and assessment of the current practices in regional monitoring of the decentralisation processes and delivery of public services in SEE.

1.2 Elaboration of overall draft for Concept and Methodology for SEE RDO, including participation in a Regional Workshop.

1.3 Completion of study/report Concept and Methodology for SEE RDO.

The Concept and Methodology will refer to all SEE 2020 beneficiary economies and the national monitoring systems related to the decentralisation process (Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, Montenegro, Kosovo and Serbia, and the EU Member States), as well as will explore possible solutions or adaptations from already existing experience in wider SEE and Europe, and recommend necessary action for establishment of RDO. The assignment will engage seven (7) National Experts (one each from Albania, the Former Yugoslav Republic of Macedonia, Montenegro, Kosovo and Serbia and two from Bosnia and Herzegovina), one Regional Expert and one International Expert. Within this assignment, the Regional Expert (RE) will have the following obligations:

Tasks of the Regional Expert

- Contribute to and assist the International Expert in elaborating the Questionnaire for in-depth interviews for Desk Research (1/2 day)
- Conduct a desk research (1/2 day) on practices in EU, including the situation at sub-national governance level following the questionnaire elaborated by the International Expert;
- Co-write and assist the International Expert in elaborating the First Overall Draft of the Concept and Methodology (2 ½ days);
- Participate (follow the discussion and take notes) in the Regional Workshop (3 days including travel)
- Assist the International Expert in finalizing the Concept and Methodology for Establishing SEE RDO (1 day).
- Provide further comments related to required regional input relevant to the elaboration and completion of the Concept and Methodology. Agree with the Regional Expert, International Expert and NALAS Programme Officers on any outstanding issues and/or possible modifications to this scope of work (1/2 day).

The envisioned level of effort is set at a maximum of 8 days of Regional Expert input, including one trip to attend the Regional Workshop, the date and venue to be defined at later stage.

The Regional Expert will report to the International Expert engaged by NALAS within the scope of the project Towards SEE Decentralisation Observatory.

Deliverables

The Regional Expert will contribute to produce and transfer to NALAS the following deliverables during the course of the assignment:

- Questionnaire for in-depth interviews for Desk Research in English language
- Concept and Methodology for Establishment of SEE RDO in English language

Timeframe

The engagement starts on the date of signing the contract on NALAS part and must end not later than 31 December 2016.

III COMPETENCIES

Qualifications for Regional:

Education:	<ul style="list-style-type: none"> ▪ University or advanced degree in political science, economics, law, international relations, or other fields directly related to the theme of work.
Experience:	<p>Qualifications Required</p> <ul style="list-style-type: none"> ▪ Proven record of theoretical knowledge and practical experience and expertise in the area described at SEE regional level, ideally in the EU member states from SEE (Bulgaria, Croatia, Romania, Slovenia);

	<ul style="list-style-type: none"> ▪ Minimum of 10 years of relevant experience; ▪ Demonstrable drafting skills; ▪ Proven analytical skills and ability to conceptualize and write concisely and clearly; ▪ Proven communication and presentation skills and ability to work in an environment requiring liaison and collaboration with multiple actors including government representatives, businesses, international organizations, civil society institutions and other stakeholders.
Language requirements:	<ul style="list-style-type: none"> ▪ Fluency in English, as the official language of NALAS and language for exchange within this assignment;
Other:	<ul style="list-style-type: none"> ▪ Familiar with MS Office applications.

Core competencies

- Demonstrates professional competence to meet responsibilities and post requirements and is conscientious and efficient in meeting commitments, observing deadlines and achieving results;
- Results-Orientation: produces quality results to meet established goals, contributes to innovative and practical solutions related to the assignment;
- Communication: Excellent communication skills, including the ability to convey complex concepts and recommendations in a clear and persuasive style tailored to match different audiences;
- Team work: Ability to interact, establish and maintain effective working relations with a culturally diverse team; and
- Client orientation: Ability to establish and maintain productive partnerships with regional and national partners and stakeholders and pro-activeness in identifying the needs of beneficiaries and partners, as well as matching them to appropriate solutions.

Core values

- Demonstrates integrity and fairness by modelling RCC values and ethical standards;
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability.

V APPLICATION INFORMATION

Applicants are required to submit an application no later than 15th October 2014 that includes:

- CV(s) including relevant knowledge and experience and contact details (e-mail addresses) of referees;