

5. Policy-making and Co-ordination

Sigma assists partner countries in strengthening policy-making and strategic capacities and in setting up co-ordination mechanisms at the centre of government. Activities in this area aim to ensure coherence among sectoral policies of ministries and consistency of government policy-making and policy implementation. To support these activities, Sigma has produced several Sigma Papers devoted to policy-making and co-ordination. All of these documents are available on the Sigma website and on OLIS.

6. Public Expenditure Management

Sigma's expertise in public expenditure management covers two main areas: budget and resource allocation and treasury. Its specific focus is on the following:

- ✓ Budgetary development and analysis
- ✓ Medium-term budgetary framework
- ✓ Budget development systems
- ✓ Budget execution
- ✓ IT support for budget execution
- ✓ Government accounting systems
- ✓ Cash management
- ✓ Debt management

7. Public Integrity System

In its work on public administration reform over the years, Sigma has focused increasingly on the need to build integrity systems that support good governance and resist corruption. More recently, Sigma identified a fundamental need to strengthen ethical conduct in public service and in government by addressing the issue of capacity. To meet this need and to strengthen both systemic capacity and personal capacity, Sigma has focused on the issues of conflict of interest and professional ethics of public servants.

8. Public Procurement

Support in the area of public procurement constitutes an important component of Sigma's operations, involving the analysis of national public procurement systems and the maintenance of an open, ongoing dialogue with partner countries on the reform of their public procurement systems. As accession to the European Union is a priority for all partner countries, Sigma's efforts have been, and continue to be, devoted to the task of facilitating the accession process by helping countries comply with EU requirements and enabling them to operate effectively within the context of the internal market.

9. Regulatory Policy - Better Regulation

The regulatory framework in which businesses operate is a key determinant of their competitiveness, growth and employment performance. One of the key objectives of the European Union's Enterprise Policy is to ensure that the regulatory environment is simple and of high quality.

HOW TO APPLY FOR SIGMA SUPPORT

Armenia, as a Country involved in ENP, may expect Sigma assistance in priority areas, such as financial control, civil service and public procurement, as well as in other various activities.

The Programme Administration Agency (PAO), established within the Ministry of Economy of Republic of Armenia, is a public body responsible for coordination of SIGMA support. Proposals for SIGMA support drafted by Armenian Public Bodies/Institutions should be sent to PAO for further evaluation. After consultations with the Beneficiary (if needed) PAO submits the proposal to SIGMA for approval. PAO is also responsible for the monitoring of on-going SIGMA projects as well as for evaluation of SIGMA projects results. Please do not hesitate to contact PAO for any advice you may need to apply for SIGMA support.

Beneficiaries of the SIGMA project should submit progress reports to PAO every 6 months of project implementation as well as the final report after project completion.

PROGRAMME ADMINISTRATION AGENCY

Address: 5, M. Mkrtychyan Street,
Ministry of Economy, 7th floor, 707 room
Yerevan 0010, Republic of Armenia
Tel.: +374 10 543 981
E-mail: info@pao-armenia.am
Web-site: www.pao-armenia.am

"SUPPORT TO ARMENIAN PAO FOR TWINNING AND TAIEX OPERATIONS" PROJECT EuropeAid/126857C/SER/AM

Address: 5, M. Mkrtychyan Street,
Ministry of Economy, 8th floor, 818 room
Yerevan 0010, Republic of Armenia
Tel.: +374 10 582 955
E-mail: twinning@cornet.am



The European Union is made up of 27 Member States who have decided to gradually link together their know-how, resources and destinies. Together, during a period of enlargement of 50 years, they have built a zone of stability, democracy and sustainable development whilst maintaining cultural diversity, tolerance and individual freedoms.

The European Union is committed to sharing its achievements and its values with countries and people beyond its borders.

WHAT IS SIGMA Info Paper

The European Union's "Support to Armenian PAO
for Twinning and TAIEX operations" Project



This project is funded by
the European Union



This project is implemented by ECO
in Consortium with ADETEF and RaL

This publication has been produced with the assistance of the European Union. The contents of this publication are the sole responsibility of ECO led consortium and can in no way be taken to reflect the views of the European Union.



SIGMA BACKGROUND AND OPERATION FRAMEWORK

Sigma is a joint initiative of the European Union (EU) and the Organisation for Economic Co-operation and Development (OECD), principally financed by the EU.

In 1992 the OECD and the Phare Programme of the European Commission launched Sigma to support Partner countries in their public administration reform efforts.

In June 2008, under the European Neighbourhood and Partnership Instrument (ENPI), Sigma support extended to Armenia as well as to other ENP countries.

Sigma supports its partners in their efforts to improve governance and management by:

- ✓ Assessing reform progress and identifying priorities against baselines set by good European practice and existing EU legislation (acquis communautaire);
- ✓ Assisting decision-makers and administrations in building institutions and setting up legal frameworks and procedures to meet European standards and good practice;
- ✓ Facilitating assistance from the EU and other donors inside and outside Europe by helping to design projects, ensuring preconditions and supporting implementation.

Sigma's operation framework is based on a partnership with its beneficiaries. Its procedures are flexible to ensure a quick and adequate response to the priorities identified by each partner and to their specific requests for support.

Projects can be initiated by partners, the EC or Sigma. The one absolute requirement for each project is that it reflects the reform priorities of the Sigma Programme

and supports the achievement of EC institution-building objectives. As soon as the project document has been developed by the parties involved, it is submitted to the EC for ex ante approval. Following a short turnaround cycle of 10 days, the project can be launched.

Sigma's working methods are always adaptable to the specific needs and priorities of each partner. While one partner may require intensive support in developing a professional civil service, another may focus its efforts mainly on strengthening public internal financial control systems. In other cases, Sigma may be asked to lend support in the design of public administration reform programmes. An ongoing collaboration between Sigma and partner institutions and practitioners is vital so that priority actions match priority needs.

Sigma makes use of a variety of operational delivery mechanisms, including:

- ✓ Advice on reforms, design and implementation of strategic development plans;
- ✓ Peer reviews/assistance;
- ✓ Analysis and assessment of legal frameworks, methodologies, systems and institutions;
- ✓ Methodological, technical and strategic input to optimise Commission assistance;
- ✓ Support to networks;
- ✓ Drafting of handbooks and other reference material;
- ✓ Training.

SIGMA PRIORITY AREAS

Sigma supports the reform efforts of its partners in nine priority areas. Description of potential support in each of the priority areas is given below:

1. Design and Implementation of Reform

Sigma supports Partner Countries Governments in designing and implementing public administration reform strategies and programmes. As Public Administration Reform (PAR) is a process that cuts across all spheres of government and is closely interlinked with EU accession and association, Sigma helps partner countries to establish the institutions and strengthen the capacities required to implement and monitor reform progress. Typical Sigma support includes analysis of the current state of public institutions, assessment of development needs, advice on strengthening policy formulation capacities, and assistance in applying principles and meeting standards set in the European Administrative Space.

2. External Audit

Sigma supports partner countries in building and strengthening supreme audit institutions (SAIs) so that they progress towards full compliance with good European audit practice and with international standards for public external audit. Following a peer assistance review process, Sigma assists in the development of a Strategic Development Plan (SDP), which sets out prerequisites for the establishment of a well functioning external audit body.

3. Financial Control

Sigma activities in financial control focus on two main areas:

- ✓ public internal financial control (PIFC), including internal audit;
- ✓ development of anti-fraud structures to protect EU financial interests.

3.1. Public internal financial control (PIFC)

To support the development of public internal financial control (PIFC) systems and procedures, including internal audit arrangements, Sigma has applied the same processes used to strengthen audit institutions – peer reviews and peer assistance. The peer review assesses strengths and weaknesses in PIFC, with a view to addressing the gap between current practices of control and audit in spending-units and existing, or newly adopted, laws (or other framework documents).

3.2. Assessment of anti-fraud systems:

At the request of the EC/DG-Enlargement and the European Anti-Fraud Office (OLAF), Sigma carried out in-depth assessments of anti-fraud systems and structures.

4. Legal Framework, Civil Service and Justice

Sigma support for the establishment of professional civil services focuses on structural elements, such as civil service legislation, salary systems, and human resources management. Assistance in drafting and passing civil service legislation takes a comparative approach, providing expertise from EU Member States. Sigma also assists partner countries in developing their civil service management systems and tools.