Project Document

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Project Title
Building Administrative Capacities of the Western Balkans and the
Republic of Moldova – BACID III

Country / Region:
Western Balkans (Albania, Bosnia and Herzegovina, Kosovo*[1], Montenegro,
North-Macedonia, Serbia) & Moldova

Planned project execution period:
01.12.2021 - 31.05.2024

Applicant:

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[1] *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.

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Local Project Partner 2:

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Financing (Euro)

Project budget (total)	Requested grant ADC	Contribution in cash by the applicant	Contribution(s) from third parties (if any)
100%	88,30%	6,72%	4,98%
EUR 1.091.450	963.800	73.400	54.250

Abbreviations

AACT	Austrian Association of Cities and Towns
ADA	Austrian Development Agency
ADC	Austrian Development Cooperation
ADISA	Agency for the Delivery of Integrated Services Albania
ARI	Annual Report on Implementation
BACID	Building Administrative Capacity in the Danube Region & Western Balkans
CAF	Common Assessment Framework
CD	Capacity Development
CEMR	Council of European Municipalities and Regions
CoE	Council of Europe
CoR	Committee of the Regions
CSO	Civil Society Organisation
CRPM	Center for Research and Policy Making
DFID	Department for International Development
DGH	Danube Governance Hub
DG NEAR	Directorate-General for Neighbourhood and Enlargement Negotiations of the European Commission
EC	European Commission
ECU	Effective CAF User (Excellence label of CAF as result of PEF)
EFAC	External Feedback Actor (Certified CAF Validators)
EIGA	European Institute for Gender Equality
EIPA	European Institute of Public Administration
ERI SEE	Education Reform Initiative of South Eastern Europe
EU	European Union
EUSDR	EU-Strategy for the Danube Region
EUPAN	European Public Administration Network
GAP	Gender Action Plan
GIZ	Gesellschaft für Internationale Zusammenarbeit
IDM	Institut für den Donauraum
KDZ	KDZ-Zentrum für Verwaltungsforschung
LG(A)	Local Government (Associations)
LOGON	Local Governments Network
MKD	North-Macedonia
NALAS	Network of associations of local authorities of South East Europe
NGO	Non-governmental Organisation
OECD	Organisation for Economic Cooperation and Development
ORF	Open Regional Fund
OSCE	Organisation for Security and Cooperation in Europe

PAR	Public Administration Reform
PARCO	Public Administration Reform Coordinator's Office
PEF	Procedure for External Feedback (European Certification Procedure for Excellence in Public Administration with CAF)
PLATFORMA	Pan-European coalition of towns and regions – and their national, EU and global associations – active in city-to-city and region-to-region development cooperation
QM	Quality Management
RCC	Regional Cooperation Council
RDO	Regional Decentralisation Observatory
ReSPA	Regional School of Public Administration of the Western Balkans
RQMC	Regional Quality Management Centre
RYCO	Regional Youth Cooperation Office
SEE	South-East Europe
SDC	Swiss Development Cooperation
SDGs	Sustainable Development Goals
SIDA	The Swedish International Development Cooperation Agency
SIGMA	Support for Improvement in Governance and Management
SORI	Social Rights for Vulnerable Groups
SRB	Serbia
UN	United Nations
UN DESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
WB	Western Balkans
WeBER	Western Balkan Civil Society Empowerment for a Reformed Public Administration
WIIW	The Vienna Institute for International Economic Studies

1. Summary

The main objective of BACID III is to improve good public governance in the Western Balkans and the Republic of Moldova. BACID activities will focus on two elements of governance that are in urgent need to be further developed and are not sufficiently supported by other donors and actors:

— Increasing the quality of public administration and public services with the Common Assessment Framework (CAF)[2], which is hosted by the Ministries for Public Administrations of the EU-member countries and recognised from EU and OECD SIGMA.

— Decentralisation and local autonomy as key elements of the "Western European Democracy Model" and guarantors for the provision of high-quality local services.

The BACID activities will be implemented together with two regional organisations. Both, ReSPA (Regional School for Public Administration) and NALAS (Network of Associations of Local Authorities in South East Europe) have been established by their members – ReSPA by the Ministries for Public Administration in the Western Balkans and NALAS by the Local Government Associations of South East Europe, and have proven to be strong and trustworthy partners. ReSPA is located in Danilovgrad, Montenegro, NALAS has the headquarter in Skopje, North Macedonia. ReSPA and NALAS are partners and beneficiaries at the same time because BACID III will contribute to the institutional sustainability of the two organizations by consolidating the RQMC of ReSPA as regional CAF centre on the one hand, and strengthening the technical capacities of NALAS both in its core areas (decentralization observatory and fiscal decentralization benchmark) and in developing capacities in digitalization to support the SEE LGs on the other hand.

Therefore, BACID III expects two main results:

— The future existence of the Regional Quality Management Centre of ReSPA is assured and it provides excellent CAF services

— The institutional sustainability[3] of NALAS is ensured through high competence in decentralisation and the provision of excellent services

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[2] BACID focuses on the introduction of the CAF in the Region as an instrument for the comprehensive strengthening of good governance because CAF

- is the only European guide for quality and governance in public administration and has been developed by the member states of the EU

- encompasses all aspects of governance in a comprehensive way (e.g., leadership, better services for citizens, prevention of corruption, transparency, civil society involvement, participation, gender mainstreaming, diversity, multi-level coordination)

- is a door opener for cooperation and coordination between different levels of government (national and subnational) as well as citizens and customers

- Austria is a role model in the implementation and driver of the further development of the CAF and

- is required by the OECD SIGMA as part of the Principles of Public Administration.

For detailed information on CAF please refer to **Annex 12**.

[3] The institutional sustainability of NALAS and its acknowledgement through the national governments of the beneficiary countries and the EU-institutions still needs attention. For the institutional sustainability the development of additional services for the members and other stakeholders are in focus for the time when international donors withdraw. Concerning the acknowledgement of governments and EU-institutions we are convinced that the baseline is low due to different reasons (e.g., national governments have a high scepticism against decentralization, EU institutions focus on national governments as partners). Therefore, we see the increased competence in decentralization (e.g., Regional Decentralization Observatory) of NALAS and the inclusion of local governments in EU related issues (e.g., IPA programming and funding) through NALAS as reasonable efforts to increase the sustainability of NALAS.

The results mainly contribute to SDG 16 (…*build effective, accountable and inclusive institutions at all levels*), SDG 11.3 (…*enhance inclusive and sustainable urbanization and capacity…*) and SDG 5.5 (…*ensure women's full and effective participation and equal opportunities for leadership …*) through the strengthening of ReSPA and NALAS, 16 CAF implementations in public sector organisations, 2 smart digital municipalities, a quality certification system for public administrations, transparency in local government finances and decentralisation, capacity building activities on digitalization for LGs and through gender specific measures throughout the intervention that will be adapted and further developed based on the findings of the gender analysis in the project inception phase to also contribute to gender transformation.

The project will consolidate and secure the achievements of the ADC co-financed BACID project implemented in the period 2018-2021 by the following activities:

— **The Regional Quality Management Centre of ReSPA** provides excellent CAF services by (1) setting up the CAF-Feedback and Certification System, (2) establishing a Network of CAF-Feedback Actors, (3) providing CAF-Feedback and awarding "Effective CAF User" labels in pilot organizations and (4) linking the CAF-actors of the Region with the European CAF-Network (CAF Regional Network). Furthermore, (5) CAF implementations will be carried out on all levels of governments with the support of digital CAF tools (6). Networking events (8) will accompany the CAF activities for know-how exchange and awareness and a publication on the evaluation of the CAF programme within ReSPA (9) will summarize the main outputs including recommendations for further developments.
— The activity "**NALAS Decentralization and Digitalisation**" safeguards the NALAS-Observatory for Transparency and Decentralisation through fiscal decentralisation reports in SEE focusing on post covid19 (1), fosters budget transparency through citizens budgeting (2), and integrates the regional and administrative decentralisation assessment (3). Furthermore, NALAS will be capacitated to support its members regarding smart digitalization (4), an analysis on the status quo of digitalization in local governments will be carried out to identify strengths, challenges, good practices, and frontrunners in the Region (5) and two smart city digital pilots will be implemented with the North-Macedonian city of Veles on the improvement of elderly care and the Serbian city of Sombor on improving the urban park management system (6). Finally, NALAS will foster its role in EU-Affairs to advocating the interests and needs of its members regarding possible EU membership.

The main target groups are civil servants, leadership in public sector organisations from all levels of government and politicians (mainly from the local level) in Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia, Kosovo* and Moldova. Through capacity development, CAF implementations, study visits, workshops, events and publications about 1000 people will directly benefit (direct beneficiaries) from the intervention. Around 9000 people will be reached indirectly including the indirect beneficiaries of the smart digital city pilots in Veles/North Macedonia and Sombor/Serbia.

The lack of good governance, that can be observed in the Western Balkans and the Republic of Moldova at all levels of government, together with deficient intergovernmental relations impairs social and economic development and the quality of public services for its citizens. By contributing to improving good public governance the project will have impact on the overall socio-economic development of the partner countries. Hence, the project supports both to comply with the OECD-SIGMA principles of public administration for EU-membership in the Western Balkan countries and the Republic of Moldova and to implement the recently adopted SEE 2030 Strategy.

2. Background / context

2.1. Analysis of the relevant national and sectoral policies

Through support to improving good public governance at all levels, the project is in line with the requirements set by the EU Enlargement Policy (as well as the EU Neighbourhood Policy) on public administration reforms (PAR) in the pre-accession and (potential) candidate countries. In that respect, the target countries have adopted national PAR Strategies[4] that are based on EU accession requirements.

The project covers the Western Balkans[5] and the Republic of Moldova (further on referred to as the Region), following the geographic coverage of the ADC Regional Strategy for the Danube Area / Western Balkans Region.

The project is closely linked to several regional strategies: namely, all activities are designed to support the recently adopted South-East Europe 2030 Strategy[6] that aims at achieving regionally sustainable economic growth shared by all and enhancing the overall quality of life for citizens and accelerate the green and digital transition through better governance and regional inclusive cooperation. Key aspects of the Strategy also deal with contributing to the recovery from the COVID 19 pandemic and fostering resilience of the SEE economies putting digitalization and improving equal access to and quality of justice and public services in SEE on top of the agenda.

On the other side, the Danube region [7]has been identified by the European Commission as a territory that needs to develop jointly. This macro-region puts together more developed countries that are members of the European Union (EU) and those that are still in transition but aspire to the EU accession. By developing administrative capacities in the Region, the project contributes to the objectives of the EU Danube Region Strategy (EUSDR) and more precisely, to Priority Area 10 that aims at stepping up institutional capacity and cooperation by addressing institutional capacity-development at local, regional and national level and the involvement of civil society in public governance. The initiated cooperation with the EUSDR Priority Area 10, situated in Vienna, during BACID I has been fostered and enlarged through BACID II as the city of Vienna since 2019 also hosts the Danube Strategy Point. It is intended to further intensify this cooperation with the project.

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[4] Public administration and public financial management reform strategies have been adopted in all the Western Balkan countries except for Bosnia and Herzegovina: Albania adopted its Crosscutting Public Administration Reform Strategy 2015–2020, Kosovo* adopted in 2015 the Strategy on the Modernisation of Public Administration 2015–20203, North-Macedonia adopted in early 2018 the Public Administration Reform Strategy 2017–2022, Serbia adopted the Action Plan for Implementation of Public Administration Reform Strategy of the Republic of Serbia for the period 2018–2020 and Montenegro adopted in 2016 the Public Administration Reform Strategy 2016–2020. In Moldova the Public Administration Reform Strategy 2016-2020 was adopted in 2016.

[5] Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North-Macedonia and Serbia.

[6] Regional Cooperation Council: SOUTH EAST EUROPE 2030 STRATEGY – good, better, regional. Sarajevo, 2021 (https://www.rcc.int/download/docs/SEE-2030-strategy.pdf/fe0aeab8c719cff3719b583ae1dad446.pdf).

[7] The Danube macro-region covers: EU Member States - Austria, Bulgaria, Croatia, Czech Republic, Germany, Hungary, Romania, Slovakia, Slovenia, Accession Countries - Bosnia and Herzegovina, Montenegro, Serbia, Neighbourhood Countries - Moldova, Ukraine. The three countries from the project area, Albania, Kosovo* and North-Macedonia, are not officially part of the Danube micro-region, however the challenges they are facing are the same as other countries from the Programme area, i.e., Western Balkans. The Austrian Regional Strategy for Danube Region / Western Balkans recognises this link (http://www.entwicklung.at/fileadmin/user_upload/Dokumente/Publikationen/Strategien/Englisch/EN_Strategy_Danube_area_Western_Balkans.pdf).

Through partnership with NALAS and ReSPA the project will continue contributing to the Berlin Process. One recommendation of the WB Report on the Preparation of post-2020 Strategy[8] is, that RCC should advocate for greater interdependence and connectivity between the EU and the WB region, building on its existing results and the achievements within the framework of the Berlin Process as the context of the COVID-19 pandemic offers opportunities for boosting relationships between the EU and the Western Balkans. Although the Berlin Process focuses on infrastructural and economic development, good governance, quality management and fiscal decentralisation sets the basis for successful socio-economic development. Accordingly, and with anchoring ReSPA with the RQMC that was established through BACID II, and NALAS as competent and independent organizations in the Region the project will continue focusing on good governance, quality management and (fiscal) decentralisation giving special attention to activities that contribute to respond adequately to the COVID-19 impact to tackle the need for resilience and adaptability in public governance and civic activism in the Region.

Aligning the project with the SDGS responds also to the above mentioned SEE 2030 Strategy with its novel approach to achieving the SDGs in a regional framework, thereby easing post-COVID recovery and strengthening regional sustainability and resilience. Through contributing to capacity development at all levels of government in the partner countries, as well as strengthening of inter-sectoral cooperation, it is directly linked to the SDG 16: *Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels,* to the SDG 5: *Achieve gender equality and empower all women and girls* and to the SDG 11: *Sustainable cities and communities - Make cities inclusive, safe, resilient and sustainable.* AACT, KDZ and NALAS are very active in supporting cities and municipalities to localizing the SDGs, both in Austria and the Region and through cooperation with CEMR and PLAT-FORMA[9].

The basis for activities related to local governments are based on the principles of the European Charter of Local Self-Government[10], developed by the Council of Europe and acknowledged by all target countries. Local autonomy is a highly valued feature of good governance. The continuous efforts of many European countries to strengthen the autonomy of local government show the importance given to decentralization and the transfer of far-reaching competences to the lowest units. However, decentralization in the Western Balkans over the whole transition period from the 1990s on has attained only partial success in addressing the specific policy objectives of democratisation, balanced economic development, and post-conflict reconciliation of ethnic communities.[11] Following the spill over of the global financial crisis and the ensuing Eurozone crisis to the WB Region from about 2009 onwards, financial instability has pushed many countries into policy reversals involving a return to greater fiscal centralisation. This has provoked deep imbalances between the increased local expenditures required by delegated competences on one hand, and the

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[8] Regional Cooperation Council: REPORT ON THE PREPARATION OF POST-2020 STRATEGY IN THE WESTERN BALKANS. Sarajevo, July 2020 (https://www.rcc.int/download/docs/Western-Balkans-report-Post-2020-Strategy.pdf/2552a8cb626334d62901bce85f5ff550.pdf

[9] PLATFORMA is the pan-European coalition of towns and regions – and their national, EU and global associations – active in city-to-city and region-to-region development cooperation (https://platforma-dev.eu/)

[10] https://rm.coe.int/european-charter-of-local-self-government-gbr-a6/16808d7b2d

[11] William Bartlett & Sanja Kmezić & Katarina Đulić (ed.), 2018. "Fiscal Decentralisation, Local Government and Policy Reversals in Southeastern Europe," Springer Books.

reductions in the revenue base in response to the crisis on the other. These imbalances between functional and financial decentralisation have tended in several cases to undermine local public service delivery, municipal capital investment and local economic development; in other cases, they have led to increased local government debt, potentially threatening the overall financial stability of the countries concerned. Although the WB economies moderately recovered from the financial crisis from 2016 on, the impact of the COVID19 pandemic has again put WB local governments under hard pressure. The NALAS Survey: SEE LGs in Post COVID-19 Socio and Economic Recovery[12], estimates that if not addressed by immediate and adequate policy measures, by 2022, SEE LGs may lose up to 30% of their revenues compared to 2019. This would have devastating long lasting consequences in their ability to provide both basic and social sector services. This also applies for the Republic Moldova where the outbreak of the COVID19 pandemic particularly affected local governments and put additional pressure on decentralization and necessary reforms already jeopardized by political instability up to massive political turmoil and the lack of political commitment on the part of central governments over the last years.13 Thus, the project will support NALAS' efforts in safeguarding and further developing the NALAS observatory on decentralization and fiscal decentralisation of SEE local governments.

2.2. Characteristics of the intervention environment

The main framework of the intervention is the EU Enlargement Strategy (2016) as well as the EU strategy "A credible enlargement perspective for an enhanced EU engagement with the Western Balkans" adopted in 2018 and the ongoing process of EU integrations common to all partner countries: as EU candidate (Albania, Montenegro, North-Macedonia and Serbia), EU potential candidates (Bosnia and Herzegovina, Kosovo*) or EU neighbouring (Moldova) countries, they have to integrate EU standards in all areas of public policies. The three key reform pillars on this path are rule of law, economic governance and PAR. The 2018 Strategy, reaffirmed by the 2020 Enlargement Package and the Economic and Investment Plan for the Western Balkans[14], additionally focuses on socio-economic development. In that respect, as a support to the implementation of the third pillar, the main principles of PAR are systematized by SIGMA in Principles of public administration as a set of instructions for EU accession countries)[15] and separately for ENP countries[16], taking care of the specific situation in the respective countries. These guidelines are the basis for the project intervention designed to support the efforts of all sectors in the partner countries to improve public governance and contribute to PAR strategies. This is at the same time the main framework for action of regional organisations such as ReSPA and NALAS, the local project partners. Successful PAR facilitates progress in other two key pillars, including macro-economic stability and establishment of functioning market economy. This also addresses the issues of fiscal consolidation to support growth and stabilization, to which the project contributes through support to NALAS in activities related to fiscal decentralisation. At legal level, the WB target

[12] http://nalas.eu/Home/Download/Covid_19_Survey

[13] Decentralisation and Local Public Administration Reform in Moldova: Status Report, published by NALAS & PLATFORMA, March 2021 http://www.nalas.eu/Home/Download/PLAT3

[14] On 6 October 2020, the European Commission adopted a comprehensive Economic and Investment Plan for the Western Balkans, which aims to spur the long-term recovery of the region, a green and digital transition, foster economic regional cooperation, boost economic growth and support reforms required to move forward on the EU path.https://ec.europa.eu/neighbourhood-enlargement/sites/default/files/communication_on_wb_economic_and_investment_plan_october_2020_en.pdf

[15] http://www.sigmaweb.org/publications/Principles-of-Public-Administration_Edition-2017_ENG.pdf

[16] http://www.sigmaweb.org/publications/Principles%20-ENP-Eng.pdf

countries are in the process of integrating the obligatory regulations set in the EU acquis communautaire in all sectors, implemented through EU negotiation chapters. For Moldova where the COVID-19 pandemic has particularly affected local governments and put additional pressure on necessary reforms, the development in decentralisation and local government reform as well as capacity development on local level is vital not only for fostering democracy but also for sustainable economic growth. This also emphasizes the EU Eastern Partnership policy beyond 2020[17].

Besides the already mentioned SEE2030 Strategy and RCC as its regional coordinator, the institutional and strategic framework of the project activities is defined by the local partners:

— **ReSPA's Strategic Framework 2019–2024**[18] defines three specific objectives to achieve its strategic goal to contribute to the effective response of the public administrations of ReSPA members to the needs of citizens and businesses through strengthened regional cooperation in PAR. These include the improvement of the implementation of PAR and Public Finance Management Strategies in the Western Balkans, the improvement of professionalisation and depoliticization of the Senior Civil Service and the improvement of the quality of public services. QM is explicitly addressed under Specific Objective 3 – Improved Quality of Public Services which is linked to OECD/SIGMA Service Delivery principle of PAR at Western Balkans. The importance given to quality management has been emphasized through the establishment of ReSPA's RQMC and the introduction of CAF as QM tool within the second phase of the BACID programme. Further development of the RQMC to advancing capacities in the domain of different QM instruments (CAF, EFQM, ISO, etc.) will foster ReSPA's role as QM regional hub.
— **NALAS Strategic plan 2018-2022**[19] outlines four strategic objectives with creating sustainable local communities based on smart and innovative growth through quality services and job creation, contributing to stable, safe, inclusive and resilient communities, improving services through knowledge and evidence-based policy making and ensuring sustainability of the Network. These objectives contribute to both the SEE 2030 Strategy and the UN-Agenda 2030. Within the framework of the BACID II project already main steps towards achieving NALAS Strategic Plan objectives has been made such as establishing the NALAS Observatory (http://www.nalas-observatory.eu/). Given that it shows for the first time where money comes from and how it is being utilised, it supports local government budget transparency in South-East Europe and serve as a model for national platforms aiming at supporting evidence based policymaking and local budget transparency. The Observatory builds on about a decade of NALAS work on Fiscal Decentralization.

The project team leader is member of the Advisory Boards of both partners, ensuring direct link to the institutional framework in the Region.

The activities divided in two pillars tackle separately challenges of national institutions (through ReSPA) and local governments (through NALAS), supported by a separate set of activities focused on inter-sectoral cooperation. This approach decreases the possibility for conflicts among important stakeholders that may have different interests (e.g., in the process of fiscal decentralisation).

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[17] https://eeas.europa.eu/sites/default/files/1_en_act_part1_v6.pdf
[18] https://www.respaweb.eu/download/doc/ReSPA+Strategy+2019-2024.pdf/908ddcdb6c6044021e83fb2b54b233eb.pdf
[19] http://nalas.eu/Home/Download/Strategy_2022

2.3. Harmonization

The project is based on cooperation with public administration bodies in the target countries, including both national and local level, with strong regional approach achieved through partnership with ReSPA and NALAS as regional networks. RCC is the main regional stakeholder, since the project supports the implementation of SEE 2030 Strategy, developed and monitored by RCC.

Through the cooperation with ReSPA, the project cooperates with the national institutions in charge of PAR and QM from the countries of the Western Balkans: *Albania* – ADISA: Agency for the Delivery of Integrated Services Albania*,* State Ministry for Standards and Services, Prime Minister's Office, Albanian School of Public Administration, *Bosnia and Herzegovina*: Ministry of Justice, Civil Service Agency, PARCO - Public Administration Reform Coordinator's Office, Civil Service Agencies of R. Srpska and Federation of BH, *Macedonia*: Ministry of Information Society and Administration, *Montenegro*: Ministry of Public Administration, Human Resources Management Authority, *Serbia*: Ministry of Public Administration and Local-Self Government, *Kosovo**: Ministry of European Integration; Institute for Public Administration. Moreover, the Moldovan State Chancellery Directorate for decentralisation policies was already invited to participate in the cooperation of national institutions within the first phase of the project (2014-2018).

Regarding the local level, long-term working relations are established with all associations of local governments in the target countries, mainly through NALAS[20] but also on bilateral basis. Through 9 associations, all local governments in the Region have access to the project. During BACID I and BACID II, numerous municipalities from target countries and CSOs benefited directly from the mentoring programme and BACID small project fund (BACID Fund).

Finally, there are several relevant regional networks at the level of civil society organisations, such as Think for Europe Network (TEN).[21]. In this context contacts were established with the EU-funded WebER project[22] that is implemented by TEN and the European Policy Centre. Since the BACID project Team leader is member of the WeBER Advisory Council mutual exchange and cooperation is ensured. Additionally, contacts are in place with RYCO in the Western Balkans and the European Funds for the Balkan Initiative[23].

On the other side, the project team is in mutual contact with various donors supporting good governance and PAR in the target countries, starting from ADA offices in Moldova, Kosovo* and Albania, to the CoE, UNDP, GIZ, SDC and World Bank. Cooperation has been established with the EC and the Centre of Thematic Expertise on Public Administration Reform within the DG NEAR, the CoE and its Centre for Expertise for Local Government Reform, OECD and SIGMA experts.

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[20] http://www.nalas.eu/Members

[21] www.ten.europeanpolicy.org

[22] Guided by the SIGMA Principles, WeBER has pioneered an evidence- and civil society-based approach to monitoring progress of the region's governments in public administration reform (PAR) based on EU requirements. It has also built bottom-up demand for reform by creating the regional WeBER Platform for dialogue on PAR and by empowering civil society organisations (CSOs) through capacity building and consultation events and meetings. This has laid the foundations for the continuous involvement of civil society in PAR, relying on a regional approach to the topic and on producing regionally comparable WeBER monitoring results. https://www.par-monitor.org/

[23] https://balkanfund.org/about-the-efb

DG NEAR provides an operational grant to ReSPA for the implementation of the work program especially the coordination of public policies in the Western Balkan governments, Better Regulation, HR-Management, Quality Management and E-Government. The capacity development for CAF and the establishment of the Regional Quality Centre are linked to and clearly separated from the ReSPA work for Quality Management. BACID concentrates on CAF because it has potential for future services ReSPA can provide for customers and due to the fact that CAF is required from the board members of ReSPA.

NALAS receives institutional support from SDC which allows to provide the basic member services together with own membership fees. Furthermore, NALAS works project based with fundings from EU (e.g., https://platforma-dev.eu and https://www.logov-rise.eu), GIZ (Social inclusion, minority rights, SDGs and water utilities) and UN Women on the gender mainstreaming topic. Also here it is ensured that BACID is not duplicating but integrating and building up on the relevant donor and funding work.
The stakeholders at the level of the European Union, with whom AACT and KDZ have close cooperation for years, are the EUPAN Network[24] in the field of QM for public administration and the CEMR in the field of local governance.

At the level of Austria, AACT and KDZ have an extensive network of members and partners dealing with public administration and local governance issues, while additional partnerships have been established through the implementation of the BACID Fund (2015-2020) with companies and CSOs active in the Region.

Two levels of coordination mechanisms were already put in place during the BACID I and BACID II intervention and will continue to be used:

— Close working relationship with NALAS, ReSPA that were intensified in BACID II through their involvement as local project partners, and RCC has been ensured from the very beginning through regular exchange of information. All project events were used for coordination purposes where members of NALAS or ReSPA were invited to share good practices and information about other current projects and to express needs to be addressed through the BACID projects. This ensured continuous complementarity of BACID actions with other donor activities from the beneficiary institutions perspective.
— Contacts, also with support of NALAS and ReSPA, were established with projects and programmes related to the Western Balkans led by the World Bank, UN, UNDP, GIZ, SIDA, SDC and OECD.

With the Danube Governance Hub (DGH) Initiative launched within BACID I, CoE became partner to the initiative while exchange was started with OECD, SIGMA, the EC as well as the highest-level officials from the Region (ministers responsible for PAR), local governments, science and CSOs. These exchanges were intensified during BACID II and led also to concrete cooperation activities (e.g., NALAS RDO). Further cooperation was agreed with WebER as the regional EU funded project on monitoring of PAR by CSOs and the BACID project team leader became a member of the project Advisory Board.

Regarding gender sensitive objectives and activities NALAS is in mutual exchange with CRPM in North Macedonia. Beside others, the executive director of CRPM, Ms Marija Risteska, was both facilitator at the NALAS e-Academy Gender course and moderator at

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[24] The European Public Administration Network (EUPAN) is an informal network of the DGs responsible for public administration in the Member States of the European Union, the European Commission (EC) and observer countries (https://www.eupan.eu/network/).

the 2nd *Forum of Women Mayors* within the framework of the NALAS General Assembly in April 2021.

Besides the explained coordination mechanism, the project is designed as demand-driven assistance thus having sufficient flexibility for harmonisation of the activities with other actions. Having in mind the regional approach and comprehensive scope of the intervention that include both national and local, public and CSO sector, the numerous possibilities for synergies are taken into consideration, also through continuing the cooperation with ReSPA and NALAS as local project partners. This ensures ownership of ReSPA and NALAS and all other partners. The added value of the BACID project is that it fills the gap between the predefined targeted interventions of the EU and other donors (see described contributions of DG NEAR for ReSPA and GIZ for NALAS above) at one side, and emerging tailor-made current needs of the beneficiaries to be addressed through mentoring and practical experience on the other side.

To strengthen partnership and to ensure strategic coordination and mechanism for the coordination between the project, the beneficiary institutions, and other development partners a Consultative Board will be established (see Chapter 6). However, the method of avoiding overlapping through direct involvement of beneficiary institutions in design and implementation has shown excellent results already in BACID I and BACID II.

3. Intervention Design

3.1. Target group, beneficiaries and local partners

Overall, the main target groups are civil servants and leadership in public sector organisations from all levels of government and politicians (mainly from the local level) in Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia, Kosovo* and Moldova and two regional networks as local project partners (ReSPA and NALAS) which will support these targets groups to improve the delivery of public services in line with European standards both for citizens and companies in the target countries. Through capacity development, CAF implementations, study visits, workshops, events and publications about 1000 people will directly benefit (direct beneficiaries) from the intervention. Around 9000 people will be reached indirectly including the indirect beneficiaries of the smart digital city pilots in Veles/North Macedonia and Sombor/Serbia. In total, about 10.000 people will profit from the project intervention.

Target group & beneficiaries	Number
ReSPA related direct beneficiaries	**760**
ReSPA staff, Quality Management Working Group and Board:	40
CAF Self-assessment groups: 15*14:	210
EFACs	30
Regional CAF Events and Meetings (6 with 80 participants)	480
NALAS related direct beneficiaries	**209**
NALAS staff and committees	50
CAF Self-assessment groups in local governments: 15*2	30
Staff of 9 local government associations and municipalities participating in digitalisation workshops:	40
City of Veles/North-Macedonia: Staff involved in the development of the digital elderly care system:10; staff of Municipal Organisation of the Red Cross and the Social Service Centre: 9; Young Volunteers: 30	49

City of Sombor: Staff of the Municipality and Staff of the Parking Service employees involved in development of the digital urban park management:	40
Total direct beneficiaries	**969**
ReSPA related indirect beneficiaries	**2800**
Staff of CAF implementing organisations (14) and Effective CAF Users (6): (average 50 employees)	1000
Readers (leadership) of CAF publication (additional to above mentioned direct beneficiaries):	200
Receivers of services in CAF implementing organisations	1600
NALAS related indirect beneficiaries	**5800**
Staff of local governments implementing CAF (2*300)	600
Local government (association) staff provided with digital practices and digitalisation publication, fiscal decentralisation reports and regional decentralisation observatory (300 per country)	2100
Local politicians provided with digital practices and digitalisation publication, fiscal decentralisation reports and regional decentralisation observatory: (300 per country)	2100
Elderly citizens of the City of Veles/North-Macedonia through the digitalization of the elderly care system.	500
Parking clients in the City of Sombor	500
Other indirect beneficiaries	**200**
Other stakeholders involved in PAR and LG reform in the Region (Local Government and Public Management and Finance Experts, Researchers, CSOs, Business) through participation at BACID III events and meetings	200
Total indirect beneficiaries	**8.800**

The direct beneficiaries are identified based on their interest, commitment and professional competence, while all project partners take care of a both country and gender balanced representation of beneficiaries from all partner countries as well as guaranteeing social inclusion through access to all project activities without barriers and proactive awareness raising and selected capacity development on social inclusion (e.g., implementation of CAF2020 or development of the NALAS Observatory Platform). In addition, 1 smart city digital pilot (City of Veles/North Macedonia) will explicitly target elderly vulnerable citizens.

All project partners have gender equality and social inclusion integrated in their rules and procedures that ensure their respect in all project phases (from design to implementation and monitoring). Regarding **gender equality** and in addition to concrete gender-sensitive project activities (see also chapter 4 Intervention logic) the project partner organisations also implement various activities with their members to support diversity mainstreaming: ReSPA for example successfully organised two regional conferences on Gender Equality and PAR and it will continue with its efforts in promoting gender equality within PAR by particularly focusing on Gender-Responsive Budgeting. NALAS' Gender and Youth Group promotes gender equality through specific trainings on local level, organizing Network events and by contributing actively to the other NALAS Task Forces such as the Task force for Fiscal Decentralisation concerning gender responsive budgeting indicators in the NALAS' fiscal decentralisation reports. Moreover, KDZ experts developed the CAF diversity model and checklist in cooperation with the Austrian Federal Chancellery that has been incorporated also in the new CAF 2020[25]. Finally, the project will benefit from the organisational

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[25] https://issuu.com/kdz_austria/docs/caf2020_english

gender expertise of the AACT with its Frauenausschuss [26] and specific activities[27] targeting women's and gender issues such as contributing to the Equal Pay or Equal Pension Days. On behalf of the AACT the Equality Index 2021[28] of the Austrian SORA Institute assessed for the first time the representation of women in the 2095 cities and municipalities in Austria. Regarding European networks on gender equality both the AACT and NALAS as members of CEMR are closely connected with the CEMR expert group on gender equality and support the European Charter of Women and Men in local life adopted in 2006 by all members[29].

Also, **social inclusion** is covered both by the intervention itself and the expertise of the project partners. The CAF 2020 contains six new key areas that address diversity and awareness raising for social inclusion, thus contributing to capacity development of public servants and employees in terms of social inclusion (Activities 1.2).[30] In 2018 ReSPA carried out a comparative study on service delivery[31] that also assessed the accessibility and service delivery for vulnerable groups of its members with country specific recommendations for improvement. Already the 8th edition of the NALAS Fiscal Decentralization Report, that was elaborated within BACID II, includes for the first time a specific chapter on social sector indicators in SEE. It surveys the social sector in South-East Europe (SEE), paying particular attention to the role that LRGs play in financing and organizing social sector services. The main purpose of this chapter is to help policy makers think through some of the major challenges associated with the subnational provision of social sector services by putting these challenges into a useful comparative framework, thus contributing to enhance health, education, and social welfare services and thereby to protect the citizens from sickness, poverty, and social exclusion. These indicators will be further developed in the upcoming Fiscal decentralisation reports and will be also integrated in the extension of the NALAS Observatory Platform (Activity 2.1.1). Furthermore, NALAS promotes social inclusion through specific activities. Currently it supports its members through three projects: "Enhancing local capacities to implement the 2030 Agenda and the "Leave No One Behind" Principle – SoRI-II", "Promotion and scaling up of models for inclusion of minorities and other vulnerable groups in the Western Balkans" and "Regional Learning for the Implementation of the Agenda 2030 in South East Europe" with focus on North Macedonia and Kosovo*. (Annex 8). Accessibility of public local services without barriers as well as promoting social inclusion within local governments is cross-cutting in the work of the ACCT. Specific support to its members in social inclusion is provided through the Ausschuss für Soziales-Gesundheit-und-Jugend.[32]

Overall, the intervention includes participants of different ethnicities from the whole Region, mainly: Serbian, Montenegrin, Bosnian, Croatian, Macedonian, Albanian, Romanian. The languages spoken by the beneficiaries are mainly Serbian/ Montenegrin/ Bosnian (mainly in Serbia, Bosnia and Herzegovina, Montenegro), Albanian (mainly in Albania, Kosovo*, North Macedonia), Macedonian (North Macedonia) and Romanian (Moldova). The experience of BACID I and II shows that all ethnicities are proportionally represented. The Region has heterogeneous populations and participating ethnicity are at the same time minorities in other countries (i.e., Albanian in Montenegro, Serbian in Kosovo*, etc). Additional minorities

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[26] https://www.staedtebund.gv.at/ausschuesse/frauen/organisation/

[27] https://www.staedtebund.gv.at/themen/frauen

[28] https://www.sora.at/fileadmin/downloads/projekte/2021_SORA_Praesentation_Gleichstellungsindex_3-2021.pdf

[29] https://www.ccre.org/docs/charte_egalite_en.pdf

[30] https://issuu.com/kdz_austria/docs/caf2020_english

[31] https://www.respaweb.eu/download/doc/Comparative+Study+on+Service+Delivery.pdf/2342ffd1fe9e64da16d225f545eef521.pdf

[32] https://www.staedtebund.gv.at/ausschuesse/soziales-gesundheit-und-jugend/organisation/

may include Roma, Slovaks, Romanians, Russians in Moldova, and others. Their presence in the public administrations is regulated by national legislations. The project deals with minority rights through the planned CAF implementations.

The project partners are 2 Austrian and 2 regional organisations:

The AACT as the lead applicant provides strategic coordination and political support, while KDZ as the Austrian partner is responsible for project management and implementation. KDZ will provide expertise and act as sister organisation to ReSPA while AACT, as NALAS associate member, will have the same role to NALAS. As networks of national (ReSPA) and local (NALAS) administrations from the region, the local partners represent their common interests to the EU and international community and support regional capacity development. Thus, ReSPA is the main partner at the Project Pillar 1 (Regional Quality Management Centre of ReSPA) and NALAS at the Pillar 2 (NALAS Decentralization and Digitalization). They ensure that the activities meet the needs of public administration in the Region, organise the events in their headquarters and disseminate the results within the Region: they are responsible for mobilisation of project beneficiaries, capitalisation and dissemination of knowledge gained through the project.

In terms of expertise, the AACT has extensive experience with European Integration (EU legislation and funding) and public service delivery at local level while KDZ is the main source of expertise in QM (as Austrian national CAF centre), budget transparency (www.offenerhaushalt.at), PAR and decentralization. ReSPA is the training institution for public administration in the Western Balkans that established the Quality Management Working Group based on the request of the members and, with support of BACID II, the Regional Quality Management Centre (RQMC). ReSPA and NALAS are closely cooperating with RCC supporting the implementation of the SEE2030 Strategy. NALAS initiated the establishment of a SEE Decentralisation Observatory and the elaboration of SEE fiscal decentralisation reports. Within the framework of BACID II both the SEE Decentralisation Observatory and the SEE fiscal decentralisation reports were further developed and made accessible on the newly established online platform https://nalas-observatory.eu/ . In addition, NALAS has European integration defined in its Strategic plan as priority. Both, ReSPA and NALAS are implementing long-term donor funded projects (EU, SDC, GIZ, UN, World Bank etc.) and have extensive experience in project and financial management.

3.2. Problem analysis and analysis of local potentials

Democratic governance and accountability demand a well-functioning public administration. The quality of administration directly impacts governments' ability to provide public services, to prevent and fight corruption and to foster competitiveness and growth. PAR and good governance are horizontal priorities of the accession process and thus high on the political agenda in the Region. However, it is a complex and long-term process that requires legal changes but also in-depth implementation. Some progress was made over the past years in the Region, but much more remains to be done. All countries in the Region have PAR strategies while necessary changes are slowed down by lack of resources and of continuous capacity development of public servants. In addition, the impact of the current COVID 19 pandemic jeopardized stepping up efforts. This is even underlined by the current edition of the Balkan Barometer 2021.[33] The Balkan Barometer revealed that although the

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[33] The Balkan Barometer is the annual public and business opinion survey commissioned by the RCC which examines Western Balkan citizens and businesses perceptions and expectations towards a variety of thematic areas such as EU integration and regional cooperation, digitalisation, green recovery, employment, and for the second year in a row it includes topics concerning a challenging regional COVID-19 induced landscape (https://www.rcc.int/download/docs/Balkan_Barometer_Public_opinon.pdf/3feee1c9e6bd0096726e6b662cdcec37.pdf)

trust in institutions has improved slightly, mainly in delivery of administrative services, more important and complex aspects such as rule of law, citizens' equality before law and their treatment by public institutions have seen stagnation. Even worse, nearly seven in ten of respondents believe that laws are not applied equally, and over two-thirds think that institutions, primarily judicial ones, are not independent from political influence. Regarding Citizens Participation a clear correlation between low trust in institutions and government's performance and the level of apathy towards government decision-making can be seen. Over one-third of respondents admit having never discussed government affairs during the last year. 39%, which is significantly more than in 2019 (25%) feel totally disinterested, while 20% feel powerless of their ability to influence government's decisions. Though political engagement in the region has slightly improved, total disinterest of participants has increased. Thus, the need for sustainable reforms in public institutions and rule of law systems in all Western Balkan economies is crucial to strengthening institutions and improve the quality of public services.

Building a modern and efficient public administration system is also one of the fundamental priorities of the Republic of Moldova that adopted its Public Administration Reform Strategy 2016-2020 in 2016. However, political instability up to massive political turmoil, the lack of political commitment on the part of central governments, and the effects of global crises such as the financial crisis in 2008 and the current COVID-19 crisis are hindering successful implementation.[34]

Following the lessons learned from the EU Member States, Western Balkans' countries also need to find an appropriate balance between central, regional and local government that best supports the implementation of reforms and service delivery to citizens and businesses. The role of regional and local authorities in the EU alignment process, and eventual the application of EU principles is of vital importance. This is also against the background that local authorities are the most trusted institutions following the Balkan Barometer 2021. As regards the opportunities and practice of active participation of civil society in decision-making processes at both the local and central levels, this remains a continuing challenge. The potential of inter-sectoral cooperation is hardly used to improve the governance sector, while regional cooperation still needs further assistance. This is even more important to provide an adequate response to the Corona crisis and thereby giving a boost to PAR in the Region. Enhancing partnerships to effectively respond on the COVID-19 impact is also a key message of the RCC Annual Report 2021[35] and the new SEE Strategy 2030 since regional cooperation reduces tension and strengthens regional stability, as the crucial precondition for sustainable development.

Strong local autonomy and fiscal decentralisation together with well-established and functioning intergovernmental relations are preconditions for building up strong democracies and societies. Thus, the development in decentralisation and local government reform as well as capacity development on local level and regarding multilevel governance strongly applies for the Republic of Moldova where the COVID-19 pandemic has particularly affected local governments and put additional pressure on necessary reforms. Good governance, democratic institutions, rule of law, successful anti-corruption policies, transparency, respect of human rights and security are not only the backbone of resilient states and communities but also significant preconditions for a functioning market economy and for sustainable growth. This also emphasizes the EU Eastern Partnership policy beyond 2020[36].

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[34] Decentralisation and Local Public Administration Reform in Moldova: Status Report, published by NALAS & PLATFORMA, March 2021 http://www.nalas.eu/Home/Download/PLAT3
[35] https://www.rcc.int/download/docs/RCC-Annual-Report-2020-2021.pdf/21c52544e836889082157afae02502d2.pdf
[36] https://eeas.europa.eu/sites/default/files/1_en_act_part1_v6.pdf

To conclude, all target countries need to strengthen professionalism of civil service capable of taking policy decisions and providing qualitative public services. Achieving to be efficient, merit-based, transparent and accountable as the necessary standards of public administration at all levels still requires reforms in many areas of policy and administration.

The main target groups are affected by the current problems at different levels:

While public administration at **national level** invests a lot in setting up of strategic development guidelines, political and performance expectations of achieving tangible results are high and prevent systematic internal changes and introduction of high-level standards, including quality management in organisations. Many capacity development activities introduced new concepts to the Region, but on-the-job coaching and continuous practical support is mainly missing. Also, while too many people are employed in public sector in all partner countries, the workload is not equally distributed, and performance not properly assessed. Consequently, modernisation of public services is often not implemented coherently, which leads to dissatisfaction of citizens. With the introduction of CAF[37] in the Region by the RQMC of ReSPA, the project intervention will sustainably contribute to improve public administration in the Region (Activities 1.2.1, 1.2.2, 1.2.3).

At **local level**, more and more requests influenced by the EU criteria, without appropriate expert nor financial distribution, make pressure without enabling local governments for better service provision. Strong political influences and affiliations prevent proper decentralisation, especially fiscal. On the other side, local governments should be provided with appropriate own source revenue and predictable and adequate transfers in line with the principles of the EU Charter for Local Self-Government, verified by the target countries.

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[37] BACID focuses on the introduction of the CAF in the Region as an instrument for the comprehensive strengthening of good governance because CAF
- is the only European guide for quality and governance in public administration and has been developed by the member states of the EU
- encompasses all aspects of governance in a comprehensive way (e.g., leadership, better services for citizens, prevention of corruption, transparency, civil society involvement, participation, gender mainstreaming, diversity, multi-level coordination)
- is a door opener for cooperation and coordination between different levels of government (national and subnational) as well as citizens and customers
- Austria is a role model in the implementation and driver of the further development of the CAF and
- is required by the OECD SIGMA as part of the Principles of Public Administration.

The figures below show that in all countries local autonomy, measured in terms of fiscal decentralization, is weak compared to the EU. Those countries with a higher proportion of own and shared taxes/revenues have embarked on a good path here. The aim is to reduce the local level's dependency on grants and to expand its own financing options.

Local Government Revenue 2019			
	in Mio Euro	% of Public Revenue	in % of GDP
Albania	498	13,3	3,6
Bosnia and Herzegovina	800	10,4	4,5
North Macedonia	555	15,7	4,9
Moldova	850	26,6	8
Montenegro	323	15	6,5
North Macedonia	555	15,7	4,9
Serbia	2773	14,3	6
EU 28		23,5	10,6

Structure of Local Government Revenue 2019					
	Own Source Revenues	Shared Taxes	General Grant	Sectoral Block Grant	Investment Grant
Albania	42%	3%	29%	12%	15%
Bosnia and Herzegovina	37%	15%	41%	0%	6%
FBiH (BiH)	39%	22%	32%	1%	6%
RS (BiH)	35%	7%	53%	0%	6%
Kosovo*	14%	0%	33%	44%	8%
Moldova	11%	15%	9%	65%	0%
Montenegro	66%	20%	11%	0%	3%
North Macedonia	34%	7%	4%	51%	3%
Serbia	42%	39%	10%	0%	9%

Source: NALAS Statistical Brief 2020: Local Government Finance Indicators in South-East Europe

These problems are addressed by the NALAS Strategic Plan 2018-2022, noting that the following preconditions are to be fulfilled to create sustainable local communities: strengthening LGs' fiscal capacities, financial responsibility-openness, transparency, anti-corruption, while focusing on quality of services at local level (modernization, increasing efficiency) and raising capacity for investment projects. Since SEE local governments were hit very hard by the COVID 19 pandemic and based on the finding and recommendations of the *NALAS Survey: SEE Local Governments in Post COVID-19 Socio-Economic Recovery* [38] the project considers activities to both cushion the COVID19 impact and to recover from the crisis. Beside further promoting fiscal decentralisation and transparency, contributing to better cooperation and coordination between central and local governments and fostering citizens participation (Activities 2.1.1, 2.1.2 and 2.1.3) the project will also set activities towards supporting digitalization in local governments (Activities 2.2.1, 2.2.2 and 2.2.3).

Civil society organisations are often seen as burden and usually involved in decision-making only formally. At the same time, all target groups in the target countries are facing similar problems: therefore, regional cooperation allows prompt identification of already existing solutions and learning from each other.

3.3. Strategic Approach & Methodology

Since capacity development is nurtured through action – reflection cycles and continuous learning with local actors and organizations, the project will build on proven and successful procedures and methodologies from BACID I and II to strengthening and further developing the competencies of both the single beneficiaries and beneficiary institutions involved in the project. The regional approach and close involvement of regional networks in all phases of the project cycle management is well accepted by the beneficiaries and will therefore applied again. It ensures sound ownership of the beneficiary institutions including the two local partners ReSPA and NALAS, participation of representatives from all target countries and wide

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[38] NALAS Survey: SEE Local Governments in Post COVID-19 Socio-Economic Recovery, Skopje, 2020 (http://nalas.eu/Home/Download/Covid_19_Survey)

dissemination of the project results through the projects communication measures, networking events and publications. Further on, implementation of smaller, precisely targeted measures will lead to the achievement of concrete results and direct effect on both beneficiaries and beneficiary institutions. The project uses a comprehensive and practical approach to capacity development, i.e., through on-the-job learning and expert mentoring and coaching as well as wide networking and permanent experience exchange. Focus on good governance and PAR allows easy identification of relevant stakeholders, while thematic flexibility as well as openness to tackle changes in the environment ensures high level commitment of local partners and synergies with other activities implemented in the field.

PAR must involve all levels of government - national, regional and local. Since LGs in the Region continue to face weak cooperation and information flow from the central government, exacerbated by the COVID 19 crisis, the project will foster multilevel coordination between national and subnational governments and participation of citizens and civil society organizations (e.g., CAF implementation in public sector organizations of different governmental levels and cooperation between ministries and NALAS regarding the RDO). QM as one crucial precondition for good public service delivery will be fostered through further capacity development for ReSPA regarding CAF and CAF implementations at both central and local level. This also against the background that the German National Regulatory Control Council, the advisory body of the German federal government, recommends audits with the CAF to both recover from the COVID 19 crisis and to ensure resilient states and administrations. To monitor local autonomy in the Region, reliable and up to date data on decentralization and budget transparency accessible without barriers will be both secured and extended through the further development of the NALAS RDO platform (https://nalas-observatory.eu/) that was established within BACID II (Activities 2.1.). To contribute to better recovering from the COVID19 crisis will also target digitalization by both improving the institutional capacities of NALAS and contributing to LGs capacities on digital transformation (Activities 2.2.).

Finally, the discussion between different sectors on forums among relevant stakeholders in the field of PAR, QM and public service delivery shall contribute to improve public governance overcoming different interests and better understanding of each other's needs and responsibilities.

The use of in-house knowledge of KDZ and AACT allows flexible approach to on-demand assistance, while in-depth understanding of the regional specifics will be covered by the local partners ReSPA and NALAS complimented with the engagement of experts from the Region.

The project will consolidate and secure the achievements of the BACID project implemented in the period 2018-2021. By anchoring the RQMC of ReSPA and NALAS in the Region as competent and independent organizations and strengthen public governance with their services the project will contribute to improve good public governance at all levels in order to comply with the OECD-SIGMA principles of public administration for EU-membership in the Region., Important preparatory steps have already been achieved between 2015 and 2021 through BACID I and II. The planned project is intended to ensure the success of the previous efforts.

This is also in line with the external evaluation of the BACID II project since all the target countries declared that the full membership into the European Union and strengthened regional cooperation and stability remain high on the development agenda due the fact that the Region is still characterized by limited progress in PAR and the EU accession process.

Following the evaluation BACID II has been effective in strengthening regional networks (primarily, through the activities of NALAS and ReSPA). The strong sense of its relative importance and advantages of participating in regional networks has been developed among the partners and stakeholders.

However, external developments such as the recent COVID-19 pandemic and its implications, and reforms that are at chronically slow pace, have been the main challenging for the achievement and continuation of results. It is therefore suggested to put emphasis on activities that contribute both to addressing the adverse effects of the COVID-19 pandemic and to the achievement of the SDG targets for the participating countries.

In addition, and regarding cross-cutting issues the evaluation reveals that the results framework had not adequately integrate gender considerations.

Based on the findings and recommendations of the evaluation the project will therefore not only continuing with capacity development for improving good governance, also in light of contributing to preparing candidate countries and potential candidate countries in the Region for EU membership, but will also set specific activities to better align the project with the SDGs[39] (keywords: SDGs achievement through CAF, sustainable and transparent public finances etc.) and to recover from the COVID 19 crisis by contributing to building up resilient communities (keywords: digitalisation, smart city approaches, citizens participation etc.) as described in Chapter 4: Intervention Logic and in the Logframe.

To better integrate gender priorities an external gender analysis will be commissioned in the inception phase of the project implementation and the project activities will be gender-sensitive mainstreamed. Main focus will be given to increasing the proportion of women in leadership positions in public administration (CAF Program Managers, leadership of the CAF Centres) and in highly qualified decision-making activities (CAF Auditing, Digitalization Officers in the Local Government Associations). This has to be seen as the basis for a sincere gender transformation in public sector and represents the necessary counterweight to traditional, hierarchical and highly politicized personnel management.

In this context the following activities will be gender-sensitive mainstreamed:
— Following the role model of many EU countries a Group of EFACs (External Feedback Actors for CAF – CAF-Auditors) will be established. They will be responsible for the auditing procedures and deciding about the certification of a public sector organisation with the label "Effective CAF User". The experience in EU countries shows that EFACs play an important role in the development of public administration reforms, negotiating with high level politicians and managers about the further development of public sector organisations. 10 out of 30 new EFACs will be female and thereby open up the management culture that is dominated by men.
— 8 female CAF program managers: CAF program manager is high level management position and therefore the nomination of women in this position is part of the organisational change of the organisation. Furthermore, it has an impact as role model and results in better chances for future leadership positions for the nominated CAF program managers.
— 16 measures of the CAF action plans will explicitly target the improvement of gender equality and inclusion. Each CAF implementation is the start of an organisational development. A major milestone of CAF is the improvement plan covering several actions for the further development of the organisation. By ensuring that at least 1 gender and diversity specific action will be included in this plan a concrete step towards sustainable gender-transformation in the 16 organisation is set.

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[39] See Intervention logic and Theory of change

- 1 CAF-program review will focus on the gender/diversity impact of the CAF (e.g., perception of CAF Users on the impact of CAF on the gender equality/transformation in the organisation; further details will be made as part of the gender analysis during the inception phase)
- the further development of the Nalas Observatory will include gender/diversity indicators (further details will be made as part of the gender analysis during the inception phase)
- the citizen budgeting processes will emphasize gender equality and inclusion (e.g., by defining the potential target groups and beneficiaries of planned city programs relevant for the citizen budgets; further details will be made as part of the gender analysis during the inception phase)
- the analysis of digitalisation of LG services available will include a gender/diversity focus (further details will be made as part of the gender analysis during the inception phase) and
- one position paper on gender equality needs in LGs of the Region will be published.

The intervention is fully consistent with national and regional development plans, i.e., PAR and Multi-annual development plans based on which EU and other donor funds are being programmed. National public administration reform strategies exist in all countries[40] of the Region and serve as basis for actions of regional organisations such as ReSPA and NALAS whose goal is to support their implementation. However, the quality of policy planning and links to sector planning still need to be substantially improved and addressing reforms in good governance remains a pressing issue for them. This is a key benchmark for the European integration of these countries, as confirmed through the most recent EU Western Balkans Strategy of 2020. [41] The project does not build additional structures but supports existing regional networks as main implementing bodies, i.e., local partners.

Ownership and responsibility, inclusive participation, articulation of interests and accessibility of outputs are ensured through active involvement of national, regional and local actors and organizations in the project activities. The beneficiary institutions/organisations (CAF implementing organisations, organisations awarded with the PEF, ministries of public administration acting as CAF centres, ministries using the Fiscal Decentralization Reports, LGAs, LGs using the RDO and the Fiscal Decentralization Reports, LGs capacitated in digitalization, Digital Smart City pilots) and the local partners ReSPA and NALAS fully participate in the decision-making processes and by strengthening their management and implementation capacities the project ensures future sustainability. The overall project design and the inhouse-expertise of all project partners regarding social inclusion (see also Chapter 3.1.) will prevent an exclusion of certain groups and individuals since all project activities will be accessible without formal barriers. Specific activities aim explicitly at fostering gender equality and in-

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[40] Public administration and public financial management reform strategies have been adopted in all the Western Balkan countries except for Bosnia and Herzegovina: Albania adopted its Crosscutting Public Administration Reform Strategy 2015–2020, Kosovo adopted in 2015 the Strategy on the Modernisation of Public Administration 2015–2023, North-Macedonia adopted in early 2018 the Public Administration Reform Strategy 2017–2022, Serbia adopted the Action Plan for Implementation of Public Administration Reform Strategy of the Republic of Serbia for the period 2018–2020 and Montenegro adopted in 2016 the Public Administration Reform Strategy 2016–2026. In Moldova the Public Administration Reform Strategy 2016-2020 was adopted in 2016.

[41] European Commission (2020): Enhancing the accession process -A credible EU perspective for the Western Balkans. COM(2020) 57 final https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0057&from=EN

clusion. Through regular monitoring of the project activities throughout the entire project duration, any obstacles shall be recognised on-time and appropriate countermeasures will be taken.

The environmental protection principles will be respected in regular work: recycling of office materials, avoiding excessive printing, use of recycled materials when possible and online-meetings/events where applicable to decrease travel activities. Indirect ecological effects occur from a well-functioning public sector. e.g., good governed municipalities will provide better waste management systems or functioning anti-corruption measures lead to proper building permissions securing land and natural heritages etc. Overall, the project will not harm the environment as BACID focuses on capacity development. In line with the Green Deal and the Western Balkans Green Agenda, the following activities will contribute to climate change mitigation:

— climate change and mitigation are part of the CAF self-assessment process and will thus actively addressed by the CAF implementing organisations.

Environment related indicators of CAF

1.1.e	Ensure organisational agility by periodically reviewing the mission, vision, values and strategies reflecting changes in the external environment (e.g. digitalisation, climate change, public sector reforms, demographic developments, impact of smart technologies and social media, data protection, political and economical changes, social divisions, customers' differentiated needs and views).

2.1.a	Observe and analyse the external environment regularly including legal, political, demographic change and digitalisation, as well as global factors like climate change as inputs for strategies and plans.

4.5.f	Take into account the socio-economic and environmental impact of ICT, e.g. waste management of cartridges, reduced accessibility by non-electronic users.

8.1.d	The organisation's impact on environmental sustainability, including climate change;

— the NALAS RDO and Fiscal decentralisation reports already include "green agenda" related indicators that will be further developed with the project intervention:

		NALAS SEE Average
D253	Smart Cities: Planet (Energy & mitigation; Water; Land; Climate resilience; Air quality; Municipal solid waste and Ecosystem)	0.38
D2531	Final energy consumption in households per capita (kg of oil equivalent)	0.13
D2532	CO2 emissions - CO2 emissions in tones per capita per year	0.13
D2533	Population density	0.08
D2534	Climate resilience strategy	0.06

— the two smart digital city pilots include respective activities such as using e-bikes for the mobile elderly care service or reducing individual traffic implementing a digital urban parking management.

The maintenance of physical investments (including running costs) under Activity 2.2.3 (e.g., bikes for mobile services, software-solutions etc.) are ensured by the beneficiary municipalities Veles and Sombor, which will provide the necessary resources after the project completion.

3.4. Data base for analysis and design

The list of reference documents used for data analysis is enclosed in Annex no. 4.

The main documents used for data analysis are the SEE 2020 Strategy and its Annual Implementation from April 2021, as well as the EU Enlargement Strategy and the respective Progress Reports from 2020. For more detailed information, ReSPA and NALAS annual reports are consulted. National PAR strategies of the partner countries have been reviewed as well as the respective EC Progress Reports. Furthermore, and to also assess the impact of the COVID 19 pandemic in the Region the RCC Annual Report 2021[42], the Balkan Barometer 2021[43] and the NALAS Survey SEE Local Governments in Post COVID-19 Socio-Economic Recovery[44] were consulted.

The data from strategic documents are used in design the logic of intervention and specifically in identification of indicators that show progress and impact of the project. The other information is used to clearly identify the needs of target groups and decide on activities to be implemented.

Disaggregated data in terms of gender, sector and country will be collected through lists of participants from the activities of and events organised by the project.

Furthermore, it is planned to collect data through feedback questionnaires after selected project activities (e.g., CAF workshops, digitisation workshops, networking events) in order to gain perceptions, understanding, and challenges to the achievement of gender equality in the public administration.

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[42] https://www.rcc.int/download/docs/RCC-Annual-Report-2020-2021.pdf/21c52544e836889082157afae02502d2.pdf
[43] https://www.rcc.int/download/docs/Balkan_Barometer_Public_opinon_2021v4_compressed.pdf/fd1f51228c1d9c4f093617da56304048.pdf
[44] http://nalas.eu/Home/Download/Covid_19_Survey

4. Intervention logic

(See annex no. 1)

The main objective of BACID III is to improve good public governance in the Western Balkans and the Republic of Moldova. According to OECD (see OECD Directorate for Public Governance) "there are clear links between good public governance, investment and development." Therefore, BACID III will directly contribute to the socio-economic development of the Region. Public governance is a broad field that is worked on by many actors and donors. According to OECD the principal elements of good governance refer to accountability, transparency, efficiency, effectiveness, responsiveness and rule of law. BACID activities will focus on two elements of governance that are in urgent need to be further developed and are not sufficiently supported by other donors:

— Increasing the quality of public administration and public services with the Common Assessment Framework (CAF), which is hosted by the Ministries for Public Administrations of the EU-member countries and recognised from EU and OECD SIGMA.
— Decentralisation and local autonomy as key elements of the "Western European Democracy Model" and guarantors for the provision of high-quality local services

Concentrating on these two elements will sustainably strengthen good governance in the beneficiary countries. Additionally, important future aspects of governance are covered:

— Multilevel coordination between national[45] and subnational governments and participation of citizens and civil society organizations will be enhanced e.g., through the CAF implementation in public sector organizations of different governmental levels and the cooperation between ministries and NALAS concerning the Regional Decentralization Observatory.
— The regional cooperation between the beneficiary countries and the European Integration will be fostered e.g., through anchoring the European tool for better governance and quality of public administration CAF.

The BACID activities will be implemented together with two regional organisations. Both, ReSPA and NALAS have been established by their members – ReSPA by the Ministries for Public Administration in the Western Balkans and NALAS by the Local Government Associations of South East Europe, and have proven to be strong and trustworthy partners.

BACID III is designed to carry out the activities "Regional Quality Management Centre of ReSPA" and "NALAS Decentralization and Digitalization" jointly with ReSPA and NALAS. "Mentoring and coaching on the institutional level" is used as a method of capacity development. This means that KDZ and AACT will accompany, supervise and lead all activities of NALAS and ReSPA and gradually hand over the responsibility for the implementation of the activities to the local partners and experts. At the end of the project, KDZ and AACT will only stand by in the background as advisors, if necessary, while NALAS and ReSPA will act independently and with full competence.

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[45] The coordination between national and subnational governments includes: Ministry for Public Administration which acts as CAF-Resource Centre for the public sector organisations of the whole country including municipalities. In Albania this task will with high probability be assigned to ADISA. The foreseen Group of EFACs (the CAF auditors) will – based on the role models of most EU countries – cover civil servants from ministerial level as well as municipalities and regional governments (where existing). Within the work on the Regional Decentralisation Observatory the main partners from the national side are the Ministries for Finance.
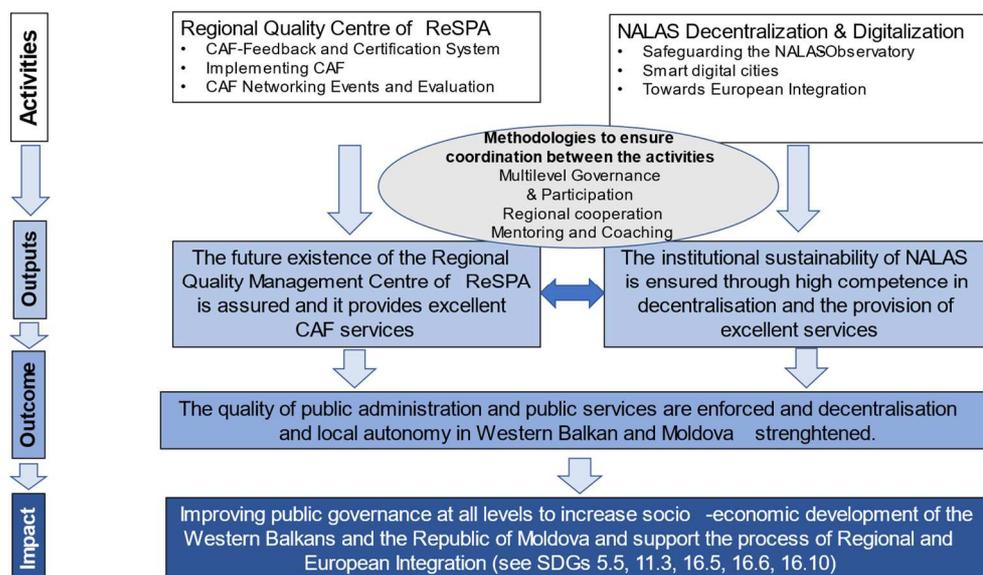
4.1. Impact

The overall objective of BACID III is to increase public governance on local, regional and national level to comply with the OECD-SIGMA principles of public administration for EU-membership in the Western Balkan countries and the Republic of Moldova. Important preparatory steps have already been achieved between 2015 and 2021 through BACID I and II. BACID III is intended to ensure the success of the previous efforts.

BACID III contributes mainly to SDG 16 (…*build effective, accountable and inclusive institutions at all levels*) with a specific focus on 16.5 (… *fighting corruption*)[46], 16.6 (… *development of effective, accountable and transparent institutions*) and 16.10 (…*ensuring public access to information and protect fundamental freedoms*) and SDG 11.3 (…. *enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management*). Through gender mainstreaming the governance programmes and public administration reforms, BACID III will lead to an increased

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[46] CAF focuses on the prevention of corruption with the criteria 1.2.f: "Develop a management system that prevents corruption and unethical behaviour, but also supports employees by providing compliance guidelines". As a result, the CAF improvement plans should cover actions like "implementing a code of conduct" or "leadership awareness and training for understanding conflicts of interests". In the Logframe a specific output indicator reflecting SDG 16.6 is not foreseen. Nevertheless, the experiences show that CAF has an impact on SDG 16.6 by raising awareness for the issue, (re)formulating code of conducts (see city of Vienna "Eine Frage der Ethik" and Austrian Ministry for Public Administration "Die Verantwortung liegt bei mir") and leadership development programs.

level of women participation, representation and leadership in governance at all levels[47] and thus directly contributing to both the EU GAP III[48] and to SDG 5.5 (…*ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life*).

4.2. Outcome

The main outcome of BACID III will be that the quality of public administration and public services are enforced and decentralization and local autonomy in the Western Balkans and Moldova strengthened. This means that:
—   The quality of public administration and public services are enforced through the Common Assessment Framework (CAF) and the Regional Quality Management Centre of ReSPA.
—   Decentralisation and local autonomy as key elements of the "Western European Democracy Model" and guarantors for the provision of high-quality local services in the Western Balkans and Moldova are strengthened through the work of NALAS.

4.3. Outputs

BACID III expects two main results:
1)   The future existence of the Regional Quality Management Centre of ReSPA is assured and it provides excellent CAF services.
2)   The institutional sustainability of NALAS is ensured through high competence in decentralization and the provision of excellent services[49]

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[47] Relevant indicators reflecting the women participation, representation and leadership in governance at all levels are included in the Logframe. When defining the indicators, it was ensured that they were smart and aimed at increasing the proportion of women in management positions (CAF Program Managers, leadership of the CAF Centres) and in highly qualified decision-making activities (CAF Auditing, Digitalization Officers in the Local Government Associations). The indicators will be checked and revised during the gender analysis in the inception phase.

[48] The project will particularly contribute to the following key areas of the plan:
–   3.4. Advancing equal participation and leadership through quality management within PA organisations by implementing the CAF 2020 that includes both gender-sensitive and diversity-responsive goals and targets. On the other hand, the project will support citizens budgeting emphasizing gender equality. Furthermore, the NALAS Observatory will include gender-sensitive indicators (e.g., Fiscal Decentralisation Report; decentralisation assessment).
–   3.6. Addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation through carrying out a survey on the "Current level of digitalisation of local government services in SEE" including a user analysis as starting point of elaborating low-threshold and gender-response digital public services pilots on local level (https://ec.europa.eu/international-partnerships/system/files/join-2020-17-final_en.pdf)

[49] The institutional sustainability of NALAS and its acknowledgement through the national governments of the beneficiary countries and the EU-institutions still needs attention. For the institutional sustainability the development of additional services for the members and other stakeholders are in focus for the time when international donors withdraw. Concerning the acknowledgement of governments and EU-institutions we are convinced that the baseline is low due to different reasons (e.g., national governments have a high scepticism against decentralization, EU institutions focus on national governments as partners). Therefore, we see the increased competence in decentralization (e.g., Regional Decentralization Observatory) of NALAS and the inclusion of local governments in EU related issues (e.g., IPA programming and funding) through NALAS as reasonable efforts to increase the sustainability of NALAS.

4.4. Inputs / Activities

The following activities are foreseen:

1) Regional Quality Management Centre of ReSPA

CAF is the European Common Assessment Framework for better Quality in Public Administration. The CAF improves public sector organizations through self-assessment and contributes to Good Governance and is well-established in Austria through the Ministry of Arts, Culture, Public Services and Sports (former Federal Chancellery) and power users like the City of Vienna and the CAF-Centre of KDZ.

Within BACID I and II the Regional Quality Management Centre has been built up and the CAF as tool for Public Administration Reform and EU-Integration has been carried out in 11 public sector organizations of five Western Balkan countries and CAF-responsibilities in the Ministries of Public Administration or Civil Service Agencies in Albania, Bosnia and Herzegovina, Serbia, Montenegro and North Macedonia have been developed.

The efforts have been intensively supported by the ReSPA Working Group on Quality which has established itself as an important pillar in the development of ReSPA's services. Through intensive collaboration the Regional Quality Management Centre of ReSPA will be empowered to execute the CAF and the CAF-Feedback and Certification System.

ReSPA's work program is co-financed by EC-grants which do not cover the costs for the Regional Quality Management Centre. ReSPA's own contribution to BACID III mainly covers the costs for local CAF experts in Activity 1.2.1 (Carrying out CAF implementations).

1.1) CAF-Feedback and Certification System

Based on the European Standards the "Procedure for External Feedback" label "Effective CAF User" must be developed to ensure the sustainability and effectiveness of the CAF as instrument for EU-related public administration reform (see SIGMA OECD) and public governance. ReSPA can use its unique position as regional organisation of the Western Balkan countries to provide this European certification for all public sector organisations in the Region.

1.1.1) Setting up the CAF-Feedback and Certification System

KDZ will support ReSPA in setting up the European Quality Certification "Procedure for External Feedback". This includes know how transfer for the ReSPA staff, elaborating the necessary documents and application forms (in addition to the already in BACID II initiated "PEF-guideline") as well as a specific section on the ReSPA Website. Furthermore, support will be given to the preparation of documents for ReSPA Board decisions (Ministers of the ReSPA member states) as well as to marketing activities to make the label attractive in the Region.

1.1.2) Establishing the Network of CAF-Feedback Actors and their empowering

The certification system demands certified "EFACs (External Feedback Actors)". Based on KDZ-experience in several EU countries a "Group of EFACs" will be established in the Region and docked to ReSPA. This includes attracting, selecting, training and certifying the EFACs. In addition, regular meetings of the Group of EFACs (online or in person twice a year, similar to Austria) and customizing/standardizing the "Procedure for External Feedback" for the Region are required.

1.1.3) Providing Feedback and label "Effective CAF User" in pilot organizations

In all six countries of the Western Balkans at least one organisation should be certified as "Effective CAF User" within the phase of BACID III. Therefore, the newly qualified local EFACs will carry out the "Procedure for External Feedback" under the responsibility of the

Regional Quality Management Centre of ReSPA. This pilot "Procedures for External Feedback" will be mentored by KDZ-expertise which ensures on the job training of the newly qualified EFACs and enables the Regional Quality Management Centre of ReSPA to take over the full responsibility of the CAF-Quality certification system step by step.

Since the Republic of Moldova is not member of ReSPA no CAF implementations were carried out under BACID II. Therefore no "Effective CAF User" label can be implemented during the project intervention. However, first steps will be set with Activity 1.2.1.

1.1.4) Linking the CAF-actors of the Western Balkan with the European CAF-Network (CAF Regional Network)

To ensure high competence of the EFACs and the CAF-Correspondents (responsible civil servants in the ministries of the countries and ReSPA) the cooperation and coordination with the European CAF-Network will be intensified. This ensures cooperation between Western Balkan and EU-member countries on topics of Good Governance and public administration reform on equal footing. The CAF-actors will participate in the semestrial meetings of the European CAF Network (under the framework of the EU-Presidency and EUPAN). The Regional Quality Management Centre of ReSPA will contribute to the development of new products of the European CAF Network (e.g., further development of the "Procedure for External Feedback", sectoral CAF versions).

1.2) Implementing CAF

Following the national strategies for PAR (e.g., Serbia, Bosnia and Herzegovina, North Macedonia) the implementation of CAF has to be rolled out. Till now first pilots have been carried out with the support of BACID in the Western Balkan countries.

1.2.1) Carrying out CAF-implementations

With the support of BACID II in all six Western Balkan countries CAF programmes have been initiated on a different level of intensity (Annex 11). To ensure the sustainable continuation of the CAF-programmes the existing efforts will be deepened and quality-assured. Local ReSPA experts (see above EFACs) will implement CAF in two organisations per country (6 Western Balkan countries) with mentoring support of KDZ. Mentoring of CAF implementation means that KDZ is working as fall back and quality assurance and accompanies the local experts by "their "CAF-facilitation. This is a well-known methodology which has already been tested during BACID II.

The Republic of Moldova is not member of ReSPA, nevertheless KDZ will implement at least one CAF in a selected organisation (coordinated with the local ADA office and Austrian embassy).

1.2.2) Carrying out CAF implementation in local/regional governments

BACID III focuses on the increase of public governance at all levels of government and is aware of the concept of multi-level governance which requires a better coordination between local, regional and national governments and stakeholder. Therefore, CAF pilots in two cities of the Western Balkan are foreseen. This is also an important link to the NALAS activities fostering local and multilevel governance. Based on prior capacity programmes and partnerships of the City of Vienna with Sarajevo (e.g., mutual development of a smart city concept supported by the BACID Fund) and Belgrade (development programs for the Danube harbour and public transport) the discussion of further steps for capacity development and fostering the partnerships between these cities with the CAF have been initiated. To ensure success and sustainability, this activity will be implemented together with the International Department of the City of Vienna. Vienna is an internationally recognized CAF user which will support the KDZ in the cities' CAF and public administration reform programs. The City of Vienna operates liaison offices in these partner cities which will facilitate

the CAF cooperation of BACID III. ReSPA is supporting this activity to strengthen its strategic goal to intensify coordination and services for the local level.

1.2.3) Digital tools for CAF and Public Administration Reform

During BACID II the Regional Quality Centre of ReSPA has become functional and the relevant first documents, leaflets and tools were elaborated. Following the example of CAF-Online a digital tool will be developed which supports the CAF implementation. This "CAF-Digital" will both support the members of the self-assessment group to facilitate CAF and serve as quick organisational self-evaluation tool for leaders of public sector organisations in the Western Balkans. It will be coordinated with the OECD SIGMA principles for public administration which are the foundation for the screening of public administration during the EU-accession process.

1.3) Networking Events and Evaluation

The already during BACID II set up "CAF Regional Network", consisting of the CAF correspondents and one CAF power user of the countries, will meet on annual basis (three times) in Regional CAF Network meetings (e.g., during the ReSPA Open Days) with about 60 stakeholders per country and meeting. One CAF-event (100 stakeholders) is planned for exchanging the experiences with CAF in the Region as well as for connecting the regional CAF-actors with the partners from the European Union. The event is foreseen to take place in the EU, preferably in the country that hosts the EU-Presidency. A cooperation with OECD SIGMA, UN DESA and DG Near is intended.

A review of the results of the CAF-program (BACID I-III) within ReSPA will be the core of a final CAF-publication.

Based on the results of periodical ReSPA baseline studies concerning public administration reform programs and activity plans, one workshop of the responsible authorities (e.g., Ministry of Public Administration) will be organised to better include quality management and open government in the public administration reform programs.

All activities under Pillar 1(RQMC of ReSPA) will be implemented together with the ReSPA QM Programme Manager and the ReSPA QM Programme Assistant and supported by a long-term local external QM expert. In addition, 5 short term CAF experts will contribute to the CAF activities.

2) NALAS Decentralization and Digitalization

The Network of Associations of Local Authorities of South-East Europe is the regional voice for decentralisation and local/regional autonomy. Thanks to the support of BACID I and II, NALAS was able to expand its impact in the structure of multi-level governance in the Region and vis-à-vis national governments. NALAS has become a recognized partner of RCC and European institutions such as DG Near, Committee of the Regions, Council of European Municipalities and Regions and the Council of Europe. The Fiscal Decentralization Reports, the Regional Decentralization Observatory, the Budget Transparency Platform (Nalas Observatory) are main products of the BACID II support which need to be quality assured and safeguarded through BACID III.

2.1) Safeguarding the NALAS-Observatory for Transparency and Decentralization

The NALAS-Observatory is a product of BACID II. The Observatory facilitates access to timely, accurate, reliable, updated and comparable local government finance data and information in a structured, interactive and user-friendly manner for all types of users. It also serves as a knowledge hub providing up to date information to the progress of decentralization on local governance in SEE. The NALAS-Observatory will be safeguarded for the future through
— Fiscal decentralization reports in SEE focusing on post covid19,

— Fostering budget transparency through citizens budgeting and
— Integrating the regional and administrative decentralization assessment.

As result one consolidated platform (NALAS Observatory) brings together the different products, uses synergies of fiscal, regional and citizen requirements. It thus ensures the self-sustainable future of the NALAS Observatory which provides services financed by the members, users or other donors.

2.1.1) Fiscal decentralization reports in SEE focusing on post covid19

With the support of BACID I and II the fiscal decentralisation reports of NALAS were set up and are meanwhile broadly accepted as basis for fiscal equalisation negotiations and country benchmarks. Nevertheless, further quality improvements on the statistical data and its sources as well as the involvement of further countries is needed. Furthermore, the COVID-19 pandemic has transformed into a local government finance crisis. If not addressed by adequate policies and reforms, by 2022, SEE local governments (LGs) may lose up to 30% of their revenues, which translates into an unprecedented crisis, with huge impacts on service delivery.

BACID III will elaborate two NALAS Fiscal Decentralization Reports especially focusing on the impact of covid19 on local government finance, and policy responses adopted at the national and local level to manage the crisis of local finance. They will also collect successful and inspiring cases of post COVID-19 social and economic recovery measures implemented by local governments. The reports will help monitor such policies and reforms while also helping the development of informed policy responses from SEE national and local governments.

The reports will additionally provide relevant data for the NALAS-Observatory for Transparency and Decentralization.

2.1.2) Fostering budget transparency through citizens budgeting

BACID III will safeguard budget transparency, decentralization and the NALAS-Observatory by including the citizens in the platform via citizens budgeting. This includes the development of templates for "Citizens' Budget" and Municipal Budget Infographics / that can be used by SEE LGs in their citizen engagement and participatory budgeting processes. For three local governments, citizens' budget documents with user friendly information on the upcoming years' budget are foreseen which will serve as models for the members of NALAS to further scale them up at national level. Three participatory budgeting processes will be supported including the discussion of the local government budget with citizens through user friendly online tools such as a balancing act simulator.

2.1.3) Integrating the regional and administrative decentralization assessment

To secure the NALAS Observatory (https://nalas-observatory.eu) the regional decentralization assessment will be integrated in the platform. Currently the Observatory provides decentralization data and shows the status quo of decentralization and local autonomy in SEE. BACID III will consolidate this work and ensure the practical usability by conducting an online assessment of the regional decentralization index in NALAS member countries. The current questionnaire will be transformed into an online tool where different experts from different countries can easily and unbureaucratically provide feedback. This will both support the development of the first RDO Monitoring Report and ensure that the NALAS Observatory will serve as a sustainable monitoring tool which provides a comprehensive measuring and comparing of the degree of decentralization and local governance across the Western Balkans and Moldova.

The activities 2.1. will be implemented and supported by 1 long-term local Fiscal Decentralization Expert with contributions from short term decentralization experts.

2.2) Smart digital cities overcoming the covid19 impact

BACID II started with smart city programs (Sarajevo[50], Tirana[51]) within the framework of its small project fund (BACID Fund). RCC focuses on digitalization and the NALAS strategy as well as the EU enlargement strategy recognize the importance of smart and digital public services. Following the BACID II evaluation, NALAS needs "to strengthen its technical capacities and become more involved in digital transformation at the Local Government Level in South-East Europe." The initial step will be to analyse digital challenges and elaborate on potentials for SEE local governments to support the digitalization of local public services and in developing "smart cities". Due to Covid19 pandemic the need for digitalization of local governments and public services has been dramatically increased in the beneficiary countries. The NALAS study "Impact of Covid19 in SEE Local Governments" from summer 2020 gave first insights of the need for the further development towards smart digitalization. To guarantee that the differentiated needs and requirements of the Western Balkan countries and Moldova concerning local smart digitalisation are properly recognised, each LGA (NALAS member) will nominate a local digitalisation officer. They will take part in the capacity development activities and at the same time contribute with local and national expertise concerning smart local digitalisation.

BACID III will do justice to this fact and support NALAS´ efforts for smart communal digitalization.

2.2.1) Improving NALAS capacities to support the smart digitalization

To sustainably secure NALAS in the next decade, as a first step its digitalization capacities have to be extended.

A local digitalization and smart city officer will enrich the NALAS team and start to build the relevant capacities. The well-established competence of AACT and Austrian cities in this area will hereby play a key role. Via mentoring through AACT and KDZ the local officer will step by step increase the capacity of NALAS. Based on these new capacities a survey of the "Current level of digitalization of local government services in SEE" will be carried out and the opportunities of EU programs for supporting digitalisation in South-East Europe evaluated. A best practice collection with front runners on digitalization of local public services in the Region will be published.

2.2.2) Improving the digital capacities of Local Governments in SEE

In parallel, BACID III develops digitalization and smart city capacities of Local Governments in SEE. Therefore, four workshops (half online half in person) with digitalization and smart city frontrunners from the best practice collection are foreseen. Furthermore, a study visit to frontrunners in digitalisation of public services will be organized. From each NALAS member one digitalization officer will be nominated to participate in the workshops and further common activities together with other interested local government representatives.

NALAS will cooperate with the RCC Digital Summits (one per year) and provide municipal good practice cases.

2.2.3) Smart digital city pilots

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[50] https://www.bacid.eu/Smart_Sarajevo
[51] https://www.bacid.eu/Smart_Project_for_Smarter_Cities

A major effort towards increasing NALAS digitalization capacity is the planning and implementation of 2 smart digital city pilots.

Based on meetings and preliminary discussions of NALAS with its members on the topic of digitalization already before preparing the project application, this activity aims to support the North Macedonian city of Veles (50.000 inhabitants) and the Serbian city of Sombor (60.000 inhabitants) in implementing concrete digitalization measures:

— The City of Veles has a highly advanced vision and strategy for sustainable development including a Smart City Strategy (2019-2030) and an Urban Mobility Plan. The Smart City Strategy defines concrete measures related to all municipal competences out of which several already have been implemented. The project will support one of the key planned interventions in the social sector by enhancing the quality of social services for at least 500 elderly citizens through innovative and SMART solutions and to improve the coordination among the three local institutions/organisations that provide elderly care services in the city. The activities include (1) the elaboration of a first local database for elderly people that need institutional support (living alone, illness, limited mobility etc.), (2) the creation of an internal digital system of services monitoring and follow-up among the Municipality of Veles, the municipal organisation of the Red Cross and the local Social Services Centre, (3) the establishment of an integrated system of effective services for elderly citizens in the city and the surrounding villages, (4) training of 9 employees from the institutions/organisations and 30 young volunteers, (5) providing equipment (electrical bikes and rucksacks) for the volunteers for service delivery (Delivery of food, medication etc.), (6) installation of an GPS System for tracking the service delivery and (7) the creation of a call centre (phone, phone application) to support elderly citizens.

— The City of Sombor is an administrative, medical and educational centre of the West Backa District and as such a catchment area for 200,000 people with mayor challenges in terms of urban mobility and parking, also due to the lack of sufficient public transport infrastructure. As a first step to minimize at least the driving time of the individual traffic for park facilities search a (1) smart city approach/concept to tracking parking use will be introduced. Thus, the city and its Public Utility Company "Parking Servis" will be better able to understand the citizens movement and needs, anticipate where bottlenecks appear and how to distribute parking spaces around the city core in an optimal way. This will lead to better traffic conditions in the city centre by lowering the time of finding available parking space, since this data will be collected and displayed in real time. (2) Software solutions for sensors and displays among the main traffic points such as parking lots, garages, health and educational institutions, administration buildings and principal streets will be installed, either purchased off the shelf or tailor made. In addition, (3) tailor made training for the City and Parking Servis employees will be carried out. To become familiar with approaches and good practices taken up by cities of similar size and profiles, peer to peer exchanges, study visits etc. will be organized. The concrete training plan will be elaborated within the project. The intervention shall increase citizens satisfaction with urban living and improve commuting times, contributing to better environmental conditions, in particular air quality in a long-term due to shorter driving times.

The activities 2.2. will be implemented and supported by the NALAS Digitalization Officer with contributions from short term digitalization experts.

2.3) Towards European Integration

Thanks to BACID and GIZ support, NALAS today is a broadly accepted stakeholder in the South-East European efforts to join the European Union. NALAS has become a recognized partner of RCC and European institutions such as DG Near, Committee of the Regions, Council of European Municipalities and Regions and the Council of Europe. Due to the

challenging situation in the Region (antidemocratic developments, slow social and economic progresses, demographic changes, interfering global politics, reluctance from EU and individual members, etc.) the European Integration process is slow and the support of NALAS still needed.

BACID III concentrates on extending NALAS' role in EU Affairs

2.3.1) Extending NALAS' role in EU Affairs

NALAS acts stronger on European level with the support of partners. The AACT runs a liaison office in Brussels and provides hand on support in all EU-related tasks. To extend NALAS' role in EU Affairs the following activities will be carried out:

— Two regional events with Ministries of EU Integration and LGAs will be organised to intensify the dialogue between central government and local level on decentralisation and access of local governments to EU Instruments for Pre-Accession (IPA).
— For advocating to increase EU support for local governments in the frames of pre-accession support (IPA) one position paper will be coordinated.
— A position paper on the financial consequences of the Covid19 crises for municipalities in SEE and the need for further EU-support will be elaborated.
— The participation in selected sessions of the Committee of the Regions and the Council of Europe is foreseen as well as the contribution to the European Week of the Regions and Cities including two relevant position papers.
— A cooperation with OECD on Key Local Government Indicators will be initiated.
— Linking the NALAS Group for Gender and Youth with the CEMR Expert group of Gender Equality

The planned position papers will increase the awareness of national governments and EU institutions for the needs of LGs in SEE and help to acknowledge them as important partners.

The activities 2.3. will be implemented and supported by 1 long-term local EU Expert.

Logical framework matrix is enclosed to the Application as Annex 1.

4.5. Indicators

The indicators and data sources are presented in detail in the Annex 1 (Austrian Development Agency – Logframe Matrix).

Indicators at level of the overall objective (impact):

— Fight against corruption (see SDG 16.5) as measured by the Western Balkan Barometer (Perception of Citizens on Corruption, figure 124; 2021) with the baseline of 35 % in 2021 and target value of more than 40 % in average in 2024
— Efficiency of public services (see SDG 16.6 &16.10) as measured by the Western Balkan Barometer (Perception of Citizens Efficiency, figure 111; 2021) with the baseline of 56 % in 2021 and target value of more than 60 % in average in 2024.
— Progress of PAR (see SDG 16.6 &16.10) as assessed by EC/OECD SIGMA in all beneficiary countries until 2024.
— Progress in Decentralization and Local Autonomy (see SDG 11.3) as assessed by the Regional Decentralisation Observatory in all beneficiary countries until 2024.

Indicators at the level of outcome:

— Review of the CAF programmes in 2024 proves a higher quality of public administration and public services after CAF implementation: 70% of CAF programme managers perceive a higher quality of their organization after CAF implementation.

- ReSPA providing CAF services independently and with own capacities and financial sources: ReSPA employs one part time program officer and one part time assistant for the Regional Quality Management Centre with own funding in 2024.
- CAF is included in the PAR-strategies/programs of the beneficiary countries and organisations: 10 PAR-strategies of countries, regions, ministries during the project implementation phase (3 in 2022, 5 in 2023, 2 in 2024).
- ReSPA is implementing projects related to public administration reform and better public services for/with RCC: 3 ReSPA projects/cooperation with/for RCC during the project implementation phase (1 in 2022, 1 in 2023, 1 in 2024).
- ReSPA opens its services to the local level: 3 ReSPA activities (e.g., CAF implementation in LGs, common workshops, invitation of LGs to ResPA trainings) with local governments or representatives of LGs during the project implementation phase (1 in 2022, 1 in 2023, 1 in 2024).
- The degree of local autonomy has increased: Local autonomy average indicator 7.8 in 2024.
- NALAS is acknowledged as relevant stakeholder for decentralisation from EU-Institutions:6 cooperation, partnerships, conference invitations for NALAS from EU institutions concerning decentralisation during the project implementation phase (2 in 2022, 3 in 2023, 1 in 2024).
- NALAS is implementing projects related to decentralisation for/with RCC: 3 NALAS projects/cooperations with/for RCC during the project implementation phase (1 in 2022, 1 in 2023, 1 in 2024).
- NALAS is a competent actor for digitalisation of local governments in WB: 7 digitalisation officers active in NALAS committees with a 1/3 share of women until 2023.

Indicators at the level of outputs[52]:

Output 1:

- 30 EFACs (CAF certification auditors) certified until 2023 compared to 10 in 2021 through BACID II with 10 female CAF certification auditors (15 in 2022, 15 in 2023).
- 6 Effective CAF User labels provided until 2024 (1 in 2022, 4 in 2023, 1 in 2024).
- 16 CAF implemented in public sector organisations, out of which 2 CAF in cities, with 8 female project leaders (4 in 2022, 10 in 2023, 2 in 2024).
- 16 gender and diversity specific actions in the CAF actions plans until 2024[53] (4 in 2022, 10 in 2023, 2 in 2024).
- 210 civil servants trained in organisational development through CAF workshops until 2024 (60 in 2022, 120 in 2023, 30 in 2024).
- 1 CAF publication published including the evaluation of the CAF-program focusing on the impact on gender and diversity until 2024.

Output 2:
- NALAS Observatory with 120 indicators including 6 gender/diversity indicators relaunched until 2023 compared to 80 in 2021 through BACID II (20 in 2022, 20 in 2023).
- 3 Citizen Budget reports published with focus on gender equality until 2024 (2 in 2023, 1 in 2024).

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[52] The gender equality related objectives and indicators are aimed at increasing the proportion of women in management positions (CAF Program Managers, leadership of the CAF Centres) and in highly qualified decision-making activities (CAF Auditing, Digitalization Officers in the Local Government Associations) and go therefore beyond women participation indicators. The indicators will be checked and revised during the gender analysis in the inception phase.

[53] Each CAF implementation finalises with an improvement plan covering several actions for the further development of the organisation. As a development indicator it is foreseen to ensure that each improvement plan covers at least 1 gender and diversity specific action.

- 1 Study/Analysis of digitalisation of LG services published including gender/diversity aspects in 2022.
- 2 Smart Digital City Pilots implemented until 2024 (1 in 2023, 1 in 2024).
- 2 new NALAS Position papers published until 2024 compared to 3 through BACID II (1 in 2022, 1 in 2024).

5. Risk Management

The possible risks to a successful project implementation as described in the Risk Register below, are monitored through regular consultations among the project partners and permanent direct contact with the main target groups. ReSPA and NALAS have regular meetings with their members, national and local government representatives, who inform about up-to-date state of affairs in their countries, including the latest developments and challenges. With the participation in the Advisory Boards of both local partners as well as of the WeBER project, the KDZ Team Leader has close insight in the up-to-date situation in the field. The Project Team, including the partner organisations, is well experienced with project management, and regular monitoring of risks is integrated in regular internal meetings. The 6-month reporting to the donor ensures regular overview of foreseen risks, their relevance in current time and mitigating measures. EGSIA[54] has been conducted within this application.

Risk Register (risk assessment at the time of submission)			
Description of the risk[55] (concrete event, its cause and possible negative impact)	Likelihood[56]	Possible impact[57]	Risk management measures planned (to reduce either likelihood or possible impact or both)
National governments in the Region are not committed to regional cooperation anymore due to changing political environment. This could directly affect both the role and the institutional sustainability of ReSPA and NALAS in the Region.	1	1	The risk of political changes in one or more countries of the Region is valid, however, all governments have been showing commitment to regional cooperation over the past years.
Public servants involved in the activities on good governance and QM implementation leave their positions due to political reasons and high turn-over in the sector. The gained knowledge is not promoted	3	2	Involvement of regional organisations and their staff in all activities contribute to systematic knowledge management and wide distribution. Also, the involvement of more than one member per country in the regional networks supports better implementation at the

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[54] ADA requires such an assessment in case of moderate or high environmental, gender or social risks and impacts. See Environmental, Gender and Social Impact Management (EGSIM) Manual.
[55] For reference, the ADA Risk Catalogue with standard risks that can arise in the context of projects and programmes is available online and can be consulted (on a voluntary basis) for the identification and description of risks. (https://www.entwicklung.at/mediathek/downloads)
[56] Enter a value: (1) very unlikely, (2) unlikely, (3) likely, (4) very likely.
[57] Enter a value: (1) insignificant, (2) significant, (3) major. An ADA staff guidance on assessing likelihood and impact is available online (https://www.entwicklung.at/en/media-centre/downloads) and can be used by applicants on a voluntary basis.

and disseminated sufficiently in the partner countries.			country level, as well as involvement of ReSPA and NALAS staff as further disseminators. Finally, even though the staff may leave the positions or even public administration, they continue to use the knowledge in other jobs as well, and to raise overall understanding of QM and good governance importance.
Local governments in the region are lacking the sufficient resources to provide relevant services for the citizens. The impact of the COVID 19 crisis has put even more pressure on local finances. This hinders both effective performance of municipal tasks and approaching EU standards on local level.	2	2	The set of project activities with NALAS focusing on decentralisation and fiscal decentralisation, transparency, participation and digitalisation will both contribute to recover better from the COVID 19 crisis and to strengthen LGs and LGAs position towards EU integration. Supporting NALAS to improve the relationship with EU institutions and to attract additional funding for NALAS and LGs through IPA.
Government data on national and local level are not or insufficiently available which could lead to low quality of monitoring, evaluation or analysis.	2	2	Based on the experiences of previous activities in BACID II the cooperation with Ministries of Finance and Public Administrations will be endorsed to limit this risk and gain necessary data.
As Kosovo* is not a full member of ReSPA (due to its diplomatic status), planned CAF activities might be delayed or not take place at all.	2	1	The political developments in Kosovo* led to postponements of agreements on CAF implementation in BACID II. Thus, specific support might be needed to ensure CAF implementations. Mitigation measures will include the using of the European CAF network to convince ministries/organisations to implement CAFs and intensifying the dialog with OECD/SIGMA.
As Moldova is not a ReSPA member due to its geographical location, this could lead to fewer or no CAF activities.	2	1	Beside support from the BACID project partners the cooperation on CAF depends on additional coordination mechanism such as ensuring support of the Austrian Embassy and ADA office as well as of our networks of LGAs.
Staff turnover among the local project partners which might delay activities due to recruiting of staff and the need of know-how transfer and training.	2	1	To cushion both negative effects on the overall project implementation and negative impact on the project outcome project team steering mechanism to support possible changes in the staff are foreseen.

Covid 19 impedes the implementation of "face to face" project activities such as trainings, workshops, meetings, events etc.	3	2	Activities will be carried out in digital form to ensure implementation.
The further development of the NALAS Regional Decentralization Observatory is not supported by the central governments/ministries of the Region.	1	1	Intensifying the dialogue with central governments/ministries through RCC, Embassies and the European Commission/DG NEAR.
The digitalization Study is not supported by the central governments/ministries of the Region.	1	1	Intensifying the dialogue with central governments/ministries through RCC, since digitalization is one priority area of the SEE 2030 strategy that also covers Moldova.
Organisation does not appoint female project leader for CAF implementation.	1	2	Strengthening dialogue with the organisation and awareness raising of the importance of gender mainstreaming.
Smart city digital interventions fail to be inclusive.	1	2	Through permanent support and monitoring of the Smart City Digitalisation projects by the NALAS digitalization officer, the exclusion of certain groups/individuals is prevented and, if necessary, appropriate countermeasures are initiated.

6. Monitoring and Evaluation

6.1. Monitoring, steering and dissemination of information

A BACID program officer will be appointed in KDZ responsible for the coordination and monitoring. Additionally, the financial monitoring will be led permanently by the KDZ Project Team, using already developed financial monitoring tables.

All Project Partners will appoint project coordinators who will be responsible for project management issues, as well as informing of their directors and governing bodies on the progress of BACID.

KDZ and AACT will hold regular meetings (normally on monthly basis) and discuss project developments. Online Meetings will be organised among coordinators on quarterly basis, while the directors will be invited to join the calls as per need. This method saves costs of regular meetings for steering purposes, while ensuring effective monitoring. In addition, 3 coordination meetings throughout the project duration will be organized. At the same time, all events organised within the project, as well as by project partners that will be attended by the BACID Project Team, will be used for brief coordination meetings with project coordinators.

A Consultative Board will be established including representatives of local partners and relevant stakeholders (RCC, WebER, City of Vienna, DG Near) to ensure strategic coordination and mechanism for the coordination between the BACID programme, the beneficiaries, and

other development partners. The Consultative Board will meet on annual basis (online or in person). Needed ad hoc meetings will take place online.

The Governing Board of ReSPA is the highest decision-making body, with the responsibilities to provide general policy guidelines and adopt ReSPA's annual business plan. It is composed of representatives of each member of ReSPA, who come from ministries or equivalent authorities responsible for public administration, human resources development or European integration. They meet at least five times per year, at least ones at Ministerial level and four times per year at Senior Officials level. The ReSPA project coordinator is responsible for regular informing of the Board about the project.

NALAS has two governing boards: Committee of Liaison Officers that normally meets 3-4 times a year and represents Secretary Generals or their alternates of all member associations. The supreme governing body is General Assembly represented by selected mayors from all countries. They meet once a year. The information about the project and important issues shall be presented to both bodies by the NALAS project Coordinator.

Data sources for the overall contribution of the project to the Region's development are the Balkan Barometer, EC Communications and Reports of OECD SIGMA and the NALAS Regional Decentralization Observatory.

Data will be collected regularly through the project dissemination means (Website, Newsletter, Social Media etc.) lists of participants and other direct beneficiaries (e.g., Activity 2.2.3). Where possible, the data will be summarized and categorized by country, sector (national public, local public, civil society, science and consultancy), position, sex and vulnerability for further analysis.

The project data/information sources at the level of outputs and activities include:

— overall: Lists of participants and meeting reports, NALAS officers reports, Project Activity (semi-annual), Progress (annual) and Final Reports, website statistics.
— Pillar 1: ReSPA reports, ECU certificates in media and websites, project assignments for CAF implementations, CAF publication
— Pillar 2: Decentralisation Observatory data, annual Fiscal Decentralisation reports, citizen budget reports, Digitalization Study, Smart Digital City Pilots, NALAS inputs integrated in the CEMR, CoR and EU documents, position papers, project assignments with cities, NALAS Annual Reports.

The monitoring results will be shared to several groups of stakeholders: ADA and ADA local offices in Moldova, Kosovo*, Albania; AACT, ReSPA and NALAS working groups and governing bodies as well as with the Consultative Board. The most interesting, summarized results will be shared through the project communication means, as well as with national ministries and local government associations and other donors.

6.2. Assessment and Evaluations

To assess the status of implementation, outputs achieved and possible needs for adaptation all activities will be carefully monitored and data collected and reviewed by the Project Team, as described in the previous Chapter. At the end of each year, during the preparation of the Progress report, all available information and data will be consolidated and evaluated by the Project Team. The inputs from partners and their governing boards collected during their meetings, shall be integrated in the annual work plans.

The project is designed to have a positive impact on promoting gender equality, equal power relationship and inclusion. Hence, data and indicators will be disaggregated by sex

and vulnerability where applicable (e.g., participants of events, composition of EFACs Group, digital services users etc.) and achieved gender equality and inclusion results will be presented in annual reports

Since the project will be the last phase of the BACID programme no external evaluations[58] are foreseen at the time of writing. However, if the project team deems it necessary to evaluate the project externally to be able to achieve the overall project goal, an external evaluation will be commissioned.

7. Implementation

7.1. Preparation of implementation

Since the intervention represents the last phase of the project, the previous 6-year work in the field provided sufficient information for a smooth continuation. However, to ensure that the project and its activities are gender-sensitive and gender-responsive and to facilitate a higher level of gender focus in the project throughout all activities, a gender analysis will be commissioned in the inception phase. As the project has been prepared jointly and the application has been elaborated in close partnership with all project partners, the project can start immediately after approvement without losing time for establishing the necessary management structure to implement the project properly. To identify the two Smart City pilots (Activity 2.2.3) NALAS consulted its members for suggestions based on the good practice collection within the framework of the above mentioned NALAS COVID 19[59] survey carried out in spring 2020. NALAS visits to and meetings with the suggested candidates led to the selection of the City of Veles (North Macedonia) and the City of Sombor (Serbia) as beneficiaries.

7.2. Organizational structure, processes and management capacities

The project will be implemented by 4 partners, 2 from Austria – AACT and KDZ –and 2 local partners that are at the same time beneficiary institutions – ReSPA and NALAS.

AACT as Lead Partner is responsible for the overall coordination and payments with 2 experts who will also contribute to Pillar 2 NALAS Decentralization and Digitalization. The KDZ Project Team will be composed of 4 experts and 1 assistant: 1 BACID program manager and Governance and QM expert acting as Team Leader (KDZ part time) and 3 Governance and CAF Experts (KDZ part time). Two of them will also act as component leaders supporting ReSPA and NALAS, while the third will act as project financial manager. The project assistant (KDZ part time) will support both the implementation of activities and the project administrative tasks.

Each project partner nominates one BACID coordinator out of its project team, while the Team Leader will provide strategic guidelines and expert quality control. Quarterly online meetings and at least three coordination meetings throughout the project are foreseen to guarantee smooth implementation and flexibility to adapt if necessary.

Besides the project team that will have the role of internal monitor, led by the Team Leader, the directors of all partners will regularly receive information about the project implementation, as well as their governing bodies.

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[58] See also guideline on „Project and Programme Evaluation"
[59] http://nalas.eu/Publications/Books/Covid-19_Survey

KDZ experts (CAF Diversity, gender budgeting, social inclusion), AACT experts (gender expert and *Frauen- und Sozialausschuss*) and NALAS experts (Gender and Youth Group) will be consulted on gender and inclusion related issues.

The set of activities to be implemented in cooperation with ReSPA and NALAS are clearly divided in two pillars. Overall, ReSPA's and NALAS' main responsibility is to communicate with the team current needs of beneficiaries and challenges faced, to inform about other interventions, to disseminate information about the project to their members and to promote project results. The action plan for each pillar will be designed separately, with clear responsibility of each partner.

To both achieve the overall project objective and to foster the institutional sustainability of ReSPA and NALAS the following experts will support the project implementation:

— ReSPA QM Programme Manager (Olivera Damjanovic), part time, employed by ReSPA with 50% ADC funding
— ReSPA QM Programme Assistant (Slaven Bukarica), part time, employed by ReSPA with 50% ADC funding
— Local External QM Expert
— NALAS Digitalization Officer, full time, employed by NALAS with 75% ADC funding.
— External Local Fiscal Decentralization Expert
— External EU Expert

Additionally, 5 short-term CAF experts shall be engaged for supporting the activities of **Pillar 1 Regional Quality Management Centre ReSPA** and 3 short-term experts for decentralization and digitalization to support the respective activities of **Pillar 2 NALAS Decentralization and Digitalization.**

In order to ensure the project visibility and communication the following means will support the dissemination of the project activities and results:

— Project website: the already well known BACID website www.bacid.eu will be adapted following the project design of phase III, maintaining the project results of BACID I and II. Beside general information on the project, the website will include all project activities, results and deliverables as well as a News and Publication section.
— Project Newsletter: To proactively inform about upcoming and finalized project activities and deliverables a Newsletter on quarterly basis will be send out.
— Social Media (Facebook, Twitter and LinkedIn) will complement the project dissemination activities.

In addition, all project partners (AACT, KDZ, ReSPA and NALAS) will use their own communication means for further disseminating the project. These include the organisations websites, newsletter and journals. Where reasonable, the project will also be promoted via events of the project partners outside the project scope. To coordinate the project visibility and communication activities they will be implemented following a concrete visibility and communication plan that will be elaborated at the beginning of the project implementation with all project partners including means, activities, responsibilities and time frame. A first draft plan is enclosed to this application (Annex No. 6).

7.3. Time schedule

The project implementation will last 2,5 years, with simultaneous implementation of activities under the two pillars. Since the project will consolidate and secure the achievements of the BACID programme implemented in the period 2018-2021 the Project Team is well acquainted

with the situation on the ground, partnerships are ongoing and cooperation has been widened beyond the scope of the project, no initial time shall be lost for project management.

The Time Schedule, detailed for the first 12 months of the implementation, is presented in the Annex 2.

The Action Plan for the 1rst year of implementation is tentative and will be adapted following the working plan with ReSPA and NALAS that will be elaborated in the 1rst quarter of the project implementation.

Action Plan Year 1

BACID III	Activities	Date
	Gender Analysis	1 q 2022
BACID III - Pillar 1: RQMC of ReSPA		
	Elaboration of Workplan with ReSPA	1 q 2022
1.1. CAF-Feedback and Certification System		
1.1.1 Setting up the CAF-Feedback and Certification System		
	Mentoring the setting up of the CAF-Certification System (PEF), implementation of workshops	starting in 1 q 2022
	Elaboration of the PEF documents	starting in 2 q 2022
1.1.2 Network of CAF-Feedback Actors and their empowering	Training of 30 EFACs starting	4 q 2022
1.1.3 Providing Feedback and label "Effective CAF User" in pilot organizations	1 meeting of Group of EFACs	4 q 2022
1.1.4 Linking the CAF-actors of the Western Balkan with the European CAF-Network (CAF Regional Network)	Organisation of European CAF Network Meeting	4q 2022
1.2. Implementing CAF		
1.2.1 Carrying out CAF-implementations (14)	3 CAF implementations (tbc)	starting 2q 2022
1.2.2 CAF in local/regional governments (2)	1 CAF implementation on local level (tbc)	4 q 2022
1.2.3 Digital tools for CAF and Public Administration Reform	Programming CAF digital tools	starting 4q 2022
1.3. CAF Networking Events and Evaluation		
	1 CAF EU event	
	1 evaluation of the CAF programme	
	1 CAF publication	
BACID III-Pillar2: NALAS Decentralization and Digitalization		
	Elaboration of Workplan with NALAS	1 q 2022
2.1. Safeguarding the NALAS-Observatory for Transparency and Decentralisation		
	Website up-date and adaption https://nalas-observatory.eu	starting 1 q 2022
2.1.1. Fiscal decentralisation reports in SEE focusing on post Covid19	Elaboration of 2 FDR reports	starting 1 q 2022
2.1.2 Fostering budget transparency through citizens budgeting	Elaborating of 3 Citizen Budget reporst	
2.1.3 Integrating the regional and administrative decentralisation assessment	Assessment of regional decentralization and elaboration	starting 1 q 2022
	1 regional decentralization report	
2.2. Smart digital cities overcoming the Covid19 impact		
2.2.1 Improving NALAS capacities to support the smart digitalisation		
	Capacity development for digitalization officers of LGAs	starting 1 q 2022
	Elaboration of a LG digitalization study based on a survey and including good practices	starting 1 q 2022
2.2.2 Improving the digital capacities of Local Governments in SEE		
	workshops on digitalization and smart city frontrunners	starting 4 q 2022
	1 study visit	
2.2.3 Smart digital city pilots		
	Elderly care system city of Veles/North Macedonia	
	Urban park management city of Sombor/Serbia	
2.3. Towards European Integration		
2.3.1 Extending NALAS role in EU Affairs		
	Contributions to regional and EU conferences and events	starting 2q 2022
	2 regional events with Ministries of EU Integration and LGAs on decentralisation and IPA	
	1 position paper IPA	
	1 position paper on the financial consequences of the Covid19 crises for municipalities	4 q 2022
	1 position paper on gender equality	

7.4. Necessary means and costs

(See annexes no. 3a and 3b)

The detailed project budget is enclosed in the Annex 3a and 3b, specifying all means needed for successful implementation, i.e.:

— Project team with part-time engagement as per budget, including 2 AACT experts, 4 KDZ experts and 1 assistant as per budget, 1 ReSPA QM programme manager, 1 ReSPA QM Programme Assistant 1, 1 NALAS coordinator (as in-kind contribution), 1 NALAS Digitalization Officer. Additionally, 3 local long-term external experts are engaged under Pillar 1 (1 expert) and Pillar 2 (2 experts), and 8 international short-term external experts for Pillar 1 (5 experts) and Pillar 2 (3 experts).
— All partners have their own premises for office work, equipment, meeting rooms and in case of AACT and ReSPA, conference rooms.
— Events to be organised as one of the main means for reaching objectives such as CD/training workshops (CAF, digitalization LG and LGAs, Smart City Pilots Veles and Sombor), EFAC meetings, European and Regional CAF Network meetings, 1 CAF EU Event/Conference, 2 regional conferences on decentralization, CD study visits (digitalization LG and LGAs, Smart City Pilot Sombor).
— Main documents to be produced for capacity development are: CAF-PEF documents, CAF self-assessment reports, CAF improvement plans, 1 CAF publication, 2 NALAS FDR reports, 3 Citizen Budget reports, 1 regional decentralization report, 1 digitalization study and 2 NALAS position papers.
— Costs for the implementation of 2 Smart digital city pilots with the City of Veles (North-Macedonia) for improving the elderly care system and with the City of Sombor (Serbia) for improving the urban parking management.
— Costs for an external gender analysis
— Costs for external audit (as indirect costs)

Costs
The following cost categories are calculated:
1. Human Resources incl. Travel: 465.650€
2. Equipment: 4.000 €
3. Logistics and operational costs: 94.000 €
4. Other costs for activities according to the planning matrix: 85.500€
5. Visibility, publications, etc: 21.500 €
6. Complementary organisational development/capacity development measures: 300.800€
7. Contingency: 25.000 €

Total Direct Costs 996.450€
Indirect Costs: 95.000 Euro (9,86 % of ADA contribution)

Total costs: 1.091.450 €, out of which 963.800€ is ADA requested grant.

Own contribution AACT: 73.400 €
Contribution ReSPA: 34.000 €
Contribution NALAS: 20.250 €

Processing of personal data

During initiation and performance of grant agreements, for audit purposes and to fulfil its statutory mandate, ADA may process personal data of natural persons that are collected by ADA or transferred or disclosed to ADA by the grant applicants or third parties under their instruction, e.g., personal data of employees, legal representatives, agents or other partners of the grant applicants or such third parties.

By submitting this grant application, each grant applicant acknowledges:

- to have taken note of ADA's **Privacy Notice** https://www.entwicklung.at/en/media-centre/privacy-notice ('ADA Privacy Notice');
- to ensure that each direct or indirect **transfer or disclosure** of personal data to ADA during the initiation or performance of a grant agreement (or to prove the grant funds are used properly and for the agreed purposes) are **lawful** pursuant to applicable data protection law;
- to ensure that all persons, whose personal data are transferred or disclosed to ADA, were promptly and demonstrably **provided** the **ADA Privacy Notice**; and
- that if a grant agreement is concluded and in accordance with its terms, ADA **publishes**, in particular on the ADA website, information about the supported measure as well as reports created during implementation of the measure.

Annexes:

Annex No. 1) Logframe Matrix

Annex No. 2) Time schedule

Annex No. 3):

- 3a) Summary project budget (project budget relevant for accounting)
- 3b) Detailed project budget

Annex No. 4) Environmental, Gender and Social Standards (EGSS) checklist

Annex No. 5) List of reference documents

Annex No. 6) Tentative Visibility and Communication Plan

Annex No. 7) Workload KDZ and ReSPA

Annex No. 8) Social inclusion activities in NALAS

Annex No. 9) Overview Grants ReSPA 2016-2022

Annex No. 10) NALAS Projects 2018-2021

Annex No. 11) BACID Current Status of CAF in WB

Annex No. 12) Background info CAF for BACID application