



ANNEX C1: Twinning Fiche

Project title: Support to Further Implementation of Civil Service Reform in Armenia

Beneficiary administration: The Civil Service Office of the Republic of Armenia

Twining Reference: AM 16 ENI JH 01 19

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EU funded project

TWINNING TOOL

TABLE OF ACRONYMS

AP	Action Plan
BM	Baseline Measurement (from SIGMA's monitoring system)
BS	Budget Support
CEPA	Comprehensive Economic Partnership Agreement
CS	Civil Service
CSC	Civil Service Council (CSO's predecessor institution)
CSO	The Civil Service Office of the Republic of Armenia (the beneficiary)
CSRS	Civil Service Reform Strategy
CV	Curriculum Vitae
EC	European Commission
ENI	European Neighbourhood Instrument
EU	European Union
EUD	European Union Delegation (to Armenia)
FDPM	First Deputy Prime Minister
GIZ	German Society for International Cooperation
HR	Human Resources
HRM	Human Resources Management
HRMIS	Human Resources Management Information System
LCS	Law on Civil Service
LPS	Law on Public Service
LRSOPS	Law on the Remuneration of State Official and Public Servants (as amended)
MoF	Ministry of Finance
MSs	Member States (of the EU)
OECD	Organization of Economic Cooperation and Development
PA	Public Administration
PAO	Programme Administration Division (EU Aid focal point in Armenian PA)
PAR	Public Administration Reform
PDP	Personal Development Plan
PL	Project Leader
RTA	Resident Twinning Adviser
SCS	Senior Civil Service (the Top Managers)
SDC	Swiss Development Cooperation
SG	Secretary General
SIGMA	Support to Improved Governance and Management (EU-financed OECD programme)
TNA	Training Need Assessment
UNDP	United Nations Development Programme
UK	United Kingdom
USAID	United States Agency for International Development
WB	The World Bank

1. BASIC INFORMATION

1.1. Programme: ENI 2016/C(2016)7226/Annual Action Programme for Armenia; Financing Agreement: Support to PAR in Armenia: Better Service Delivery through a More Efficient and Responsive PA - ENI/2016 /039-595 (direct management)

For British applicants: please be aware that eligibility criteria must be complied with for the entire duration of the grant. If the UK withdraws from the EU during the grant period without concluding an agreement with the EU ensuring in particular that applicants from the UK continue to be eligible, beneficiaries from the UK will cease to receive EU funding (while continuing, where possible, to participate) or be required to leave the project on the basis of Article 12.2 of the General Conditions to the grant agreement.¹

1.2. Twinning Sector: Justice and Home Affairs (JH)

1.3. EU funded budget: 1,300,000 EUR

2. OBJECTIVES

2.1. Overall objective: To improve transparency, accountability and efficiency of the Armenian central public administration in view of citizens' and businesses' needs.²

2.2. Specific objective: To strengthen professionalism and well-functioning of Civil Service, in line with the Principles of Public Administration.³

2.3. Elements targeted in strategic documents: The present Twinning fiche is in line with Armenia's strategic documents at national level and international agreements, namely:

- The *Government Programme* of February 2019, following the parliamentary elections that consolidated the 2018 revolution, is currently the most authoritative medium-term policy framework. Its approach to PA reform is driven by two main concerns: fighting corruption (with measures on transparency and prevention of conflicts of interest), and avoiding unnecessary expenditure (with measures aimed at reorganizing and right-sizing the central Government). These priorities are expected to significantly impact on the implementation of CS reforms, which were taken over from the previous Executives along with related EU support;
- The *Comprehensive and Enhanced Partnership Agreement between Armenia and the EU*, which entered in provisional application since June 2018, is the main document setting the objectives for EU assistance. Among the priority areas for cooperation it marks PA reform and the development of an accountable, efficient, transparent and professional civil service (art. 4.e), stressing also the modernization of CS training systems (art. 94.b). PA Reform is likewise confirmed as part of the 4 *Partnership Priorities Between the EU and Armenia*, selected for early CEPA implementation.

Besides these, other strategic documents are relevant, passed by governments in power before the 2018 political events, but continuing in force including as a more detailed basis for the programming of EU assistance:

- The *Armenia Development Strategy 2014-2025* is the longest-term policy framework formally in force,⁴ as attempts to upgrade it were put on hold following the 2018 revolution. While much of the ADS is politically outdated, its section 30 sets the direction for the

¹ Annex A2 of the *Twinning Manual*, revision 2017 - update 2018.

² In line with overall objective of the 2016 AAP Action Document for Support to Public Administration Reform in Armenia: Better Service Delivery through a More Efficient and Responsive Public Administration.

³ In line with specific objective of the 2016 AAP Action Document for Support to Public Administration Reform in Armenia: Better Service Delivery through a More Efficient and Responsive Public Administration.

⁴ Government decree No. 442- N of 27/03/2014

current CS reforms, based on analysis conducted with the OECD/SIGMA⁵ programme since 2010. That includes the possibility of large-scale reorganization, but also expected improvements to the CS governance framework, job classification and remuneration, recruitment and selection, performance management and HR development, as well as discipline;

- *The Civil Service Reform Strategy and its Implementation Action Plan* were adopted in 2016,⁶ as precondition for EU Budget Support. They build on EU and other external advice starting from a 2010 SIGMA review,⁷ and incorporate ideas from the ADS and few additions (e.g. on e-learning). However, while the Strategy and Action Plan do list desired improvements, the supporting analysis is quite brief, and planning for the phasing-in of reforms tends to be mechanistic, with few details, incomplete budget estimates and unrealistic sequencing. As a result, the strategic framework formally in force cannot be fully relied upon to navigate LCS implementation;
- The specific conditions EU *Support to the Government of Armenia for Implementation of the ENP Action Plan - Phase II* for 2012-2020 are linked to the 2016 *Action Document for Support to PAR*,⁸ on the basis of which Budget Support were agreed with Armenia. Tranche indicators include CS bylaws and a HRM training of managers and specialists (2018); as well as updating job descriptions by the new classification system, plus implementing new recruitment and promotion rules (2019). The *Single Support Framework for EU Support 2017-2020* confirmed the arrangement by keeping the *strengthening institutions and good governance* as a top priority.

3. DESCRIPTION

3.1. Background and justification:

The beneficiary of the Twinning project is the Civil Service Office of the Prime Minister Office of the Republic of Armenia, established in July 2018 and responsible for driving the implementation of the Law on Civil Service and its implementing secondary legislation - along with elements of the related Law on Public Service and of the amended Law on Remuneration of State Officials & Public Servants, which were passed by Parliament at the same time in March 2018.⁹ The new system replaced the one under the 2001 civil service act (as later amended) which was based on regulation of personnel administration by an independent Civil Service Council, at the same time also responsible for centrally managing key procedures for most of the Civil Service staff.

The deep political changes that Armenia underwent between the parliamentary approval of the Civil Service reform package and its entry into force, did not affect public support for the reforms. A public employment system in line with European and international good practice remains an objective for the new Government. Implementation is however not without challenges, partly also due to gaps and compromises in the primary legislation, and insufficient advance preparations on secondary sources (regulations). The key features of the new system and the main difficulties still to overcome are summarized below, also with reference to the Baseline Measurement carried out by SIGMA in 2018¹⁰, on the basis of Chapter 3 (Public Service & HRM System) of its Principles of PA:¹¹

- ***On the policy and legal framework (SIGMA principle 3.1)***

⁵ SIGMA (Support for Improvement in Governance and Management) is a joint initiative of the OECD and the European Union, principally financed by the European Union.

⁶ Government protocol decision No. N-57 of 29/12/2015

⁷ SIGMA, Assessment of the Civil Service System of the Republic of Armenia, 2010

⁸ Action Document for Support to PAR in Armenia: Better Service Delivery through a More Efficient and Responsive PA, ENI/206/039-595

⁹ Please refer to Annex 4 for the web links to retrieve this and other normative sources referred to in the fiche.

¹⁰ Baseline Measurement Report: The Principles of Public Administration. Armenia, March 2019.

¹¹ OECD SIGMA programme, "Principles of PA: A Framework for ENP Countries", 2017. For the first application to Armenia, see "Armenia Baseline Measurement Report", 2019 at <http://www.sigmaxweb.org/>

The new LCS, following the 2016 CSRS, is broadly framed and left several key issues to secondary legislation, which the CSO is responsible to prepare for consideration by the Government or Deputy Prime Minister (delegated for HRM procedures, including annexed tools such as methodologies, forms, etc.). The 2016 Action Plan to CSRS had originally envisaged one-year time to complete the normative framework after the passing of the Law itself, but the new CSO was able to adopt a faster tempo and complete the basic package by early 2019. This complied with stricter conditions under EU Budget Support, though at the cost of some solutions being admittedly provisional and in need of future refinement.

▪ ***On the institutional set-up (SIGMA principle 3.1)***

The LCS decentralized most management of CS staff to the respective institutions, allowing greater strategic focus and addressing bottlenecks by central authority. The new CSO of the Prime Minister's Office, reporting to the DPM, only selects each institution's Secretary General, runs pre-selection for entry-level jobs, sets the general CS Competency Framework and provides related training. It has few vetoes on other matters (e.g. on establishment lists, and training plans), its main role being rather to elaborate policy, monitor implementation and recommend remedial action. The CSO shall also hold the HRMIS digitally supporting key processes and help building the new capacity that SGs and their HR Units need.

▪ ***On the scope of civil service (SIGMA principle 3.2)***

The horizontal expansion of the CS status from 45 to 72 institutions was another reason to decentralize. Additions include the presidential, parliamentary, prosecutorial and judicial administrations, as well as some executive bodies that the 2001 law did not cover, but later bought into CS principles via special legislation. In practice, the horizontal scope of the Law is being widened gradually, along with the completion of newly included institutions positions' classification by mid-2019¹². Concerning the Law's vertical scope, politically appointed top positions are excluded, while some clarification might be needed of the extent to which jobs dealing with support functions and having low educational requirements are part of the CS.

▪ ***On job classification & remuneration (SIGMA principle 3.4)***

The LCS and its bylaws require institutions to draft job descriptions and specifications in standard format for all positions, taking into account the new CS Competency Framework and sectorial knowledge and skills requirements. Positions are to be classified through a point-based system separating management (5 subgroups, including middle management) and other professional positions (8 subgroups).¹³ The CSO, which must approve the institutions' submissions, counts on adapting to the new system within 2019, as required by Budget Support indicators. Its main challenge might be to avoid the previously experienced over-classification in the top ranks.

The structure of CS remuneration is aligned with the whole public sector via LRSOPS, its basic salary component following the classification system, with grade advancement based on seniority. Supplements related to specific working conditions can add up to 50% in exceptional cases, while bonuses can reach up to 25% of the annual salary. These are broken into several components, the main one being in theory anchored to performance evaluation, while others are admittedly discretionary. The fact that the overall amount can vary across institutions, is pushing the Government to consider measures to equalize these bonuses. Considering that over 90% of employees receives bonuses, they are generally interpreted as just a part of the base salary.

▪ ***On recruitment & selection (SIGMA principle 3.3)***

¹² Decree of the FDPM nr.1493-N of November 7, 2018 "On Approval of the Schedule and Procedures for Propagating the Scope of the LCS".

¹³ Decree of the FDPM N 3-N of 11 January 2019 "On Methodology for Defining Requirements for Civil Service Positions, Classification, Assignment of Civil Service positions, Establishment of Positions in the General Registry of Positions, Administration of Rights and Duties, Nomenclature, as well as Defining the Scope of Professional Knowledge and Competences to Occupy Civil Service Positions".

The new LCS improved on previous achievements, including by introducing a competitive system for promotions. Some issues however remain, to be addressed in the new decentralized set-up. A basic one is the ineffectiveness of the recruitment approach, as the average number of eligible applicants attracted by published vacancies is too low (1.2 for managerial, 2.4 for other jobs) to allow actual merit-based selection and quality hires. Reasons go beyond uncompetitive pay: vacancy notices tend in fact to be delayed, ultimately confirming the temporary contractors hired in the meantime. This contributes to a perception of unfair CS hiring, which popular enthusiasm for the new Government can only partly dispel.

On selection, all internal and external competitions comprise written tests and interviews. However, while secondary legislation requires institutions to use CSO-held technology to standardize the content and administer the tests, broad discretion on the decisive interviews is still allowed. Potential issues include the optionality of any structured format, the scoring system, lack of training for selection panels, and their composition. The latter is most problematic in managerial hiring, where the presence of political members in the panels blurs the line between selection and appointment, and it complicates the development of a Senior Civil Service. The marked underrepresentation of women in the top CS ranks also remains an unaddressed issue.

▪ ***On professional development (SIGMA principle 3.5)***

The LCS confirmed the abolishment of Soviet “attestation” practices, replaced since 2011 by performance evaluation - now made annual, with evidence collected on semester basis. The process is rightly linked to training through the identification of Personal Development Plans. The main bylaw on the topic,¹⁴ however also confirms a link with the large performance bonuses, through an over-sophisticated system to set individual objectives and measure achievements (based on formal entries into the Government workflow system). Releasing evaluation from bureaucratic irrelevance may require addressing this combination of factors, with the objective to cap both the size of incentives and the number of top achievers.

Concerning training, a 2019 bylaw details the new system.¹⁵ Each institution must get CSO approval on a training plan based on need assessments agreed in individual performance evaluations, plus possible considerations from institutional work plans. Implementation is through the PDP of each civil servant, combining sectorial modules procured by each institution and others on the CS Competency Framework organized by CSO. The mix must abide to a credit system to ensure a minimum to all civil servants, though actual size is an issue: the current per capita allocation is 8€/year, and no higher targets have been set. As for quality, the bylaw sets basic requirements for outsource providers (including online), but ex post evaluations to ensure well-aimed spending aren’t required.

▪ ***On discipline & integrity management (SIGMA principle 3.6)***

Disciplinary violations and related proceedings may do with more punctual definition within the LCS itself. In comparison with the previous system, investigations have been decentralized to a system of ethics commissions and integrity officers regulated by the LPS. The same law also deals with prevention issues, such as declarations of assets and acceptance of gifts, and is completed by more specific anti-corruption legislation implemented by the Ethics Commission of High-Ranking Officials (future Corruption Prevention Commission). These new systems, which rate high in the new Government Programme, are however still in the process of being implemented and will require considerable efforts, including training.

The project team will be expected to assist the implementation of CS legal framework in selected areas that are achievable in the timeframe and not already sufficiently developed through ongoing

¹⁴ Decree of Government “On Defining the Rules for Evaluating the Work of Civil Servants”, *still to be passed*.

¹⁵ Decree of the FDPM nr. 2-N of January 9, 2019.” On Training of Civil Servants, Basic Criteria on Training Organizations, Basic Principles of Credit System, Assessment of Needs and Creating an Individual Program, as well as Preparing a Corresponding Body Institutional Plan, and Recognition of International Certifications”.

reform efforts; that are not already covered by linked activities by EU or other international assistance programmes; and that relate to the application of the SIGMA Principles or other relevant EU norms and standards. The following paragraphs elaborate on each of these circumstances and on their possible additional impact on the design of activities.

3.2. Ongoing reforms

The tempo at which CS reforms are being implemented is partly influenced by tranche indicators for EU Budget Support to PAR, resulting in an incremental approach by which measures (normative, capacity and IT) are implemented to comply with Budget Support specific conditions with reserve made for improvements at a later stage. This is likely to impact on project design, as some activities will deal with perfecting earlier measures, and others will need to be designed, including piloting and follow-up phases.

For 2018 the CSO strived for the BS indicator on secondary legislation, with a first batch of 36 bylaws dealing with various aspects of LCS implementation (some of which, like performance evaluation, are earmarked for further improvement). The CSO also provided some early general training to SGs and HRUs to reflect on normative innovations and include line managers, for which BS indicators suggested a tailor-made compulsory HRM curriculum. For 2019, efforts are focusing on meeting commitments to complete classification by the new system, while the further BS target on application of the new recruitment & selection rules is dependent on the hiring freeze accompanying Government reorganization. The latter, introduced with the February 2019 Government Programme, is currently developing with announced plans for a reduction from 17 to 12 ministries, and consideration of shared service centres to pursue economies of scale on support functions or their outsourcing. The initiative interfaces with LCS implementation because of possible alterations to CSO's supervision and list of clients, and because the law entrusts the CSO with the role of advising the Government on managing large-scale restructuring. While some of the mechanisms are explicit in the Law (e.g. management of individual redundancies through reserve lists), secondary legislation may need to be developed to address additional angles.

The CSO is also arranging IT support, with a tender for the new HRMIS launched in early 2019 and a beta system expected within a year. The need to rely on paper-based workflow during this period will affect early reforms,¹⁶ as CSO's decentralization approach is based on the assumption of the HRMIS as main channel to monitor client institution and provide them guidance in the new procedures. On the other hand, incremental implementation will also influence HRMIS development, as any proposed improvement in already regulated procedures and templates will need to be closely coordinated with the IT contractor. Meanwhile, CSO is also considering the acquisition of an e-learning platform to support the CSRS' goal of 20% of training to be delivered in that format by 2020.

3.3. Linked activities

Since the Government sought the support of development partners to further CS reforms, project design shall take into account and not duplicate their inputs. EU-funded assistance will involve the continuation of Armenia's decade-long relationship with SIGMA, which was largely responsible for inspiring current CS reforms. It has been asked to follow-up to its Baseline Measurement with assistance on preparing a successor strategy to the 2016 CSRS. Other EU assistance complementary to BS included, till 2017, a consultancy on *Support to CS Reforms in Armenia* (strategy and legal framework, with early advice on training systems), and a few TAIEX inputs (e.g. on decentralization). For the future, EU assistance will consist of this Twinning and another one on integrity issues.

EU aside, a second main actor is the World Bank, long active in CS reform with its Public Sector Modernization Programmes, which financed the first HRMIS and its improvements from 2007 to

¹⁶ Decree No. 29-N of the First Deputy Prime Minister of July 31, 2018, " On Organizing and Performing the Functions of the Civil Service Office in non- electronic mode before the elaboration of the electronic programs envisaged by the Law of the Republic of Armenia".

2012, as well as the creation of the job evaluation system still largely in use. For 2019-2020, the WB finances a new HRMIS, expected to also digitalize key HRM procedures, and UNPD was requested to carry out a study providing assistance to the CSO in reviewing the CS Competency Framework, with funding from its Regional Hub.

Accordingly, areas covered by other EU or non-EU assistance may include: the strategic framework for CS reform (SIGMA); job analysis, classification and pay (WB and UNDP); the HRMIS (WB); and integrity management (other Twinning). Additionally, project design should be aware of the possibility of bilateral agencies approaching the new Government to revise the previous prevalent focus on local administration (already including relevant work, like from the *Good Local Governance in South Caucasus* regional programme implemented by GIZ with USAID and SDC funding: in 2017-2018 it piloted training need assessment methodology for municipal servants, and assisted with a *Concept on Developing a Municipal Service Training System*).

3.4. List of applicable EU norms and standards

The new LCS and its bylaws significantly improved the previous CS legal framework. Their content and praxis, however, are not entirely in line with EU norms and principles - as SIGMA also noted in its Baseline Measurement report.¹⁷ While the Twinning project should not assume any integral reconsideration of the normative framework over the short term, the design and implementation of its activities shall pay special attention to any opportunity for progress in this area. Amongst EU norms and standards, the most important to keep in mind are:

- The Principles of Public Administration, in the form provided for Eastern Partnership countries, developed by SIGMA in close co-operation with the European Commission to support the dialogue on PAR with non-candidate European governments. The Principles define detailed requirements for a well-functioning administration in six core areas, including the strategic framework for PAR, as well as public service and human resource management. They are based on international standards and good practices in EU Member States or OECD countries;
- The EU Equal Opportunities Directives, as the core of EU rules on non-discrimination in employment. They include Directive (2006/54/EC) on equal opportunities and treatment of women and men, for harassment and sex discrimination in access to employment, pay and related schemes; the Racial Equality Directive (2000/43/EC) for discrimination on ground of ethnic origin; and the Employment Equality Directive (2000/78/EC) related to religion, disability, age or sexual orientation.

3.5. Results per component

The project shall advance its specific objective by implementing four result-level Components, each concerned with a complex area for which SIGMA's BM scores were particularly weak. To address such weaknesses, two or more Sub-results are identified in each area that focus on overcoming critical weaknesses. The four Components are: (1) Capacity of the CSO and client institutions enhanced in line with the Principles of Public administration; (2) Recruitment & selection systems strengthened in line with the Principles of Public Administration; (3) CS performance appraisal system reformed in line with the Principles of Public Administration; and (4) CS training system improved in line with the Principles of Public Administration.

Mandatory Result / Component 1: Capacity of the CSO and client institutions enhanced in line with the Principles of Public administration.

The indicators of achievement are: Scores on SIGMA Principles (2018 baseline, 2021 targets) for:

- 1) *Existence of a central, capable co-ordination body (Sub-indicator 3.3.1.6) (2/4 to 3/4),*

¹⁷ Baseline Measurement Report: The Principles of Public Administration. Armenia, March 2019.

- 2) *Professionalism of HRM units in civil service bodies (Sub-indicator 3.1.1.7) (1/2 to 2/2),*
- 3) *Availability and use of data on the civil service (Sub-indicator 3.1.1.9) (1/5 to 3/5).*

The first project Component shall cut across and provide the basis for all others. It shall focus on the capacity and inputs that the CSO, HR Units and other players involved in LCS implementation need to play their role in the new HRM system. The factors to be addressed were selected consistently with existing strategic documents, legislation, and SIGMA scores (particularly those the BM marked under average). They concern: the organizational set-up of both central and peripheral HR Units; the availability of data, especially pay-related; the establishment of a Network for HRM professionals; the introduction of a compulsory HRM curriculum including for line managers; and the capacity of the CSO to communicate directly with employees and the general public.

Sub-result 1.1: The institutional set-up of CSO and HR Units optimised in line with benchmarking functional review recommendations

The indicators of achievement are:

- 1) *Share of CSO staff devoted to follow and advise specific client institutions (2018: approx. 30%; 2021: 50%).*
- 2) *Share of benchmarking functional review of CSO and HR Units recommendations which have been implemented (2018: NA; 2021: above 50%)*
- 3) *Share of HR Units that have staffed all HRM functions under their responsibility (2019: TBD; 2021: 90%).*

The way in which the CSO and HR Units in the institutions organized and staffed the functions assigned by the LCS is obviously relevant to a successful reform. While implementation is in the early stages, a systematic benchmarking functional review can reveal tasks that were overlooked or are in need of different levels or type of capacity. The focus should include setting minimum standards for HR Units (and any sectorial training centres), and the adoption of a client-oriented set-up at the CSO.

Sub-result (1.2): Increased participation of HRM specialists in practice improvement through their professional Network

The indicators of achievement are:

- 1) *Number of regular 6-monthly meetings of the HRM professional network with pre-defined agenda conducted (2018: 1; 2021: at least once in 6 months from the start of the project)*
- 2) *First edition of manual for work of HRM professionals including practical cases drafted (2018: No; 2021: Yes)*
- 3) *Number of HRM questions answered by peers or CSO on Network's virtual forum (2018: 0; 2021: 20)*

The broad responsibility that decentralization placed on the institutions' SGs and their HR Units turns them from passive implementors of central policy to potential active proponents of practical issues and solutions. In this light, nurturing the (in)formally established professional HRM network can provide a manner to keep specialists actively involved in the ongoing reform.

Sub-result (1.3): Increased knowledge of line managers on HRM issues after compulsory training

The indicators of achievement are:

- 1) *Share of heads of department that attended the basic compulsory curriculum in HRM (2018: 0%; 2021: 90%)*

Line managers' understanding of HRM is essential to successful CS reforms. To this effect, BS indicators for 2018 expected not just HRM specialists, but also line managers to undergo training based on a Government-approved, compulsory curriculum. CSO's early sessions could not however target the latter, due to a lack of means (e.g. online training platform) to reach a broad audience with the available resources. The project shall support the CSO in delivering this commitment.

Sub-result (1.4): Increased information exchange on CS-related issues among individual civil servants and wider public through media tools

The indicators of achievement are:

- 1) *CSO's website traffic growth: number of unique visitors (2018: NA; 2021: 30% of the total number of civil servants)*
- 2) *CSO's institutional Facebook page traffic growth: number of followers (2018 baseline: 458; 2021 target: around 3000).*

Besides the involvement of the CSO and HRM specialists, the MoF, and line managers, the project shall also focus on the need to keep the mass of individual civil servants informed and engaged with the reforms. To this extent, the project shall support the CSO in improving its use of web-based resources for information exchange, helping to establish a quality website (currently missing) and social media presence as an instrument to canvass and manage the expectations and fear of CS personnel.

Sub-result (1.5): Payroll data consolidated in line with principles agreed between the Ministry of Finance and CSO

The indicators of achievement are:

- 1) *Number of regular statistical overviews with consolidated pay data published by CSO (2018: 0; 2021: 4)*

Currently, lack of reliable and consolidated data on CSs pay is a main constraint on the capacity to make and monitor policy on CS and public employment. The CSO alone has little way to address it: in spite of its relationship with the institutions' general managers, reporting requirements in the decentralized payroll system are under MoF authority. The project shall therefore assist the CSO in agreeing with the MoF the steps necessary for access to (at least) selected consolidated payroll data, and their periodical publication to increase transparency.

Mandatory Result / Component 2: Recruitment & selection systems strengthened in line with Principles of Public Administration.

Overall indicators: score on SIGMA Principles (2018 baseline, 2021 target) for:

- 1) *Meritocracy and effectiveness of recruitment of civil servants (indicator 3.3.1) (3/5 to 4/5),*
- 2) *Merit-based recruitment and dismissal of senior civil servants (indicator 3.3.3) (3/5 to 4/5).*

The second project component shall focus on the recruitment and selection system, with overall progress marked by SIGMA scores on attracting candidates and selecting new hires. BS indicators expect the relevant procedures in the LCS and its bylaws to fully apply from 2019, though hiring is now on hold pending reorganization. Also, SIGMA's BM revealed the approach in secondary legislation to have some significant shortcomings, which should be addressed as soon as possible.

Sub-result (2.1): HR planning practices introduced in CS institutions

The indicators of achievement are:

- 1) *Number of secondary legislation on Human Resources planning guidelines drafted in an inclusive and evidence-based manner (2018: 0; 2020: 1),*
- 2) *Share of temporary contractors relative to total CS positions (2018: estimated way over 5%; 2021: below 5%¹⁸).*

The fact that institutions are currently not expected to engage in workforce planning allows them to frequently respond to high turnover or workload changes by hiring temporary contractors at labour law, often beyond the limits set in bylaws. The actual, later publication of a vacancy usually results in the selection of the “provisional” incumbent - effectively discouraging potential candidates from even applying. As the LCS expects SGs to produce forward plans for other functions such as training, it is obvious to require the same for recruitment.

Sub-result 2.2: Improved attractiveness of the CS for qualified applicants

The indicators of achievement are:

- 1) *Average number of eligible applicants per managerial position in the last year (2017: 1.2; 2021: 4)*
- 2) *Delivered study on CS attractiveness, addressing reputational and other factors (2018: No; 2020: Yes).*

Developing recruitment, as the function of attracting potential applicants, is a precondition for competitive selection and for the quality functioning of the whole CS system. As a start, the project shall support the CSO in analysing reasons for the very low number of applicants in the last few years, including not only excess temporary contractors and unattractive pay, but also reputational issues and possible biases. The study shall especially consider the potential of women as a recruitment pool, with specific reference to top management positions. Later on, the project shall provide support for implementation of selected measures to increase attractiveness.

Sub-result (2.3): Improved selection rules, especially for interview stage

The indicators of achievement are:

- 1) *Share of selection panel members that received specific training for their role in last year (2018: 0%; 2021: 75%),*
- 2) *Share of selection panels for managers including political officials or advisers (2018: high, 2021: 0%)*
- 3) *Delivered amendments to secondary legislation related to selection, including guidelines on interviews drafted (2018: No; 2021: Yes).*

The LCS and its bylaws on selection are positively specific on written tests, meant to rely on the technical support of the new HRMIS software, including databases of questions (even if decentralized implementation will need attention). Significant margins for improvement, however, remain for the interview stage, which institutions manage through selection panels for which bylaws have no clear requirements in terms of background of members, interview format or scoring system to be followed.

Sub-result (2.4): Discussion on future establishment of a Senior Civil Service advanced

The indicators of achievement are:

- 1) *Delivered proposed amendments to bylaws/primary legislation related to SCS (based on delivered concept paper on the options and benefits of establishing a SCS) (2018: No; 2021: Yes).*

¹⁸ 5% target will also include cases defined by the CSL such as maternity leave, military service, training, secondments, etc.

The LCS does not effectively outline a Senior Civil Service, as the group of professionals most directly influencing institutional performance. The law defines managers as a broad group with no special status or rules, and abandoned the previous solution by which the two higher echelons were centrally selected: now, the CSO organizes selections for SGs only, for the rest leaving in charge decentralized panels with politically appointed members. The system does not further provide them with opportunities for a diverse career to refine the horizontal assets required by the CS Competency Framework. As different models for a SCS are possible, the project should advise the Government in relation to both measures that are immediately achievable, and more demanding potential ones.

Sub-result (2.5): Support to the CS aspects of the restructuring process provided

The indicators of achievement are:

- 1) Number of comparative organisational studies drafted, including options and their impact assessment (2018: NA; 2021: 2),*
- 2) Share of highly educated staff dismissed from reserve lists in last year (2018: to be calculated at the start of the project, 2021: TBD, constituting a significant decrease compared to the baseline value)*

The LCS entrusts onto the CSO the responsibility for advising the Government on restructuring, including the management of reserve lists which in the past had been little effective as a barrier to arguable dismissals. Since the Government is considering how to implement a complex restructuring of its portfolios, the project shall be ready to provide the CSO with on-call advice, both on possible organizational solutions (e.g. creation of shared service centres) and on the management of consequences in terms of human resources, including redundancies through the reserve lists.

Mandatory Result / Component 3: CS performance appraisal system reformed in line with the Principles of Public Administration.

Overall Indicators - Score on SIGMA Principles (2018 baseline, 2021 target) for:

- 1) Professionalism of performance assessments (sub-indicator 3.5.1.5) (0/4 to 3/4)*
- 2) Linkage between performance appraisals and measures designed to enhance professional achievement (sub-indicator 3.5.1.6) (4/4 to 4/4)*

The third project Component shall deal with the performance appraisal system, currently drawing on experiences under the previous dispensation, with emphasis on the distribution of pay bonuses (semesterly based on appraisal of results, and quarterly on a discretionary basis), and only secondarily on the development of personalized training needs assessments, and career progression (mostly in the context of restructuring). Guided by the relevant SIGMA indicators, the new system should scale down emphasis on performance pay as a motivating factor, and focus more on training and career progression. It should also distinguish between the appraisal of ordinary civil servants and that of top managers, on which special effort should be invested due to the high impact on institutional performance.

Sub-result 3.1: Rules of performance appraisal improved

The indicators of achievement are:

- 1) Amendments to secondary legislation on performance appraisal delivered before and after pilot (2018: No; 2020: Yes; 2021: Yes)*
- 2) Share of civil servants evaluated with the highest mark in the last year (2018: 95%, 2020: 15%)*

Secondary legislation on performance appraisal should be improved, and differentiated for top managers, for which its integration with work planning is more realistic. In general, the bylaw should clarify the mix of evaluation elements (personal objectives vs. competencies & knowledge/skills); identify sources (e.g. direct superior, 360°); provide an interactive procedure (e.g. evidence collection, interview); and a manner to produce reports with minimal burden (HRMIS). It should also include features to keep evaluation activities relevant (e.g. maximum share of top ratings, supervisors evaluated on appraisal quality).

Sub-result 3.2: Performance appraisal procedures digitalised

The indicators of achievement are:

- 1) *Share of performance appraisal procedures carried out via the dedicated software (2018: 0%, 2021: 100%)*

The ongoing work on the HRMIS, financed by a WB project, is meant not only to digitalize HR records, but also to provide digital support to HRM procedures. This includes in principle performance evaluation, though no bylaw to the LCS was available at the launch of the tender, and the one now in place will need revising. To make the project's third Component sustainable, it is therefore important for it to be ready to assist the CSO to translate the new performance appraisal system into specifications for the WB or other contractor, as soon as possible in order for the HRMIS' evaluation module or other dedicated software to have a chance of being available by the time of piloting its application.

Sub-result 3.3: Rules on performance-related pay bonuses improved

The indicators of achievement are:

- 1) *Share of total wage bill for top managers paid as performance bonuses (2018: at least 20%; 2021: 5%)*

The prevalent link with pay bonuses is a main cause for the lame state of performance evaluation in Armenia: while sums are significant (often beyond motivational thresholds), the fact that 90% of staff receives them makes it irrelevant to review achievements or train them. To restore any motivational value, bonuses should be mostly incorporated into a transparent base pay, where they are perceived to belong. Access to modestly-sized performance pay should be instead restricted to a small share of top performers, along with non-monetary awards bestowing them with public recognition.¹⁹

Sub-result 3.4: Stakeholders in performance appraisal trained

The indicators of achievement are:

- 1) *Share of top and middle managers trained in the performance appraisal system (2018: 0%; 2021: 90%)*

Successfully operating the performance appraisal system will take some training, particularly since at the moment, performance is assessed with no interview (based only on entries in the workflow system). The target includes all supervisors who will conduct performance appraisals (senior and junior managers), HRM specialists in charge of coordination (CSO, SGs, HRUs), and administrative judges called to decide appeals. Sufficient information should also be provided to all civil servants to ensure proactive participation in evaluation.

Sub-result 3.5: Renewed performance appraisal system piloted

The indicators of achievement are:

- 1) *Share of all managers with agreed personal development plans (2018: 0%; 2021: 90%);*

¹⁹ The project's involvement in pay reform is meant to be limited to budget-neutral measures necessary to make performance evaluation viable. Other measures aimed at wage bill sustainability, like equalizing bonuses across institutions or centralizing payrolls, are not mandatory results.

2) *Share of institutions with PDPs agreed for 90% of staff (2018: 0%; 2021:10%).*

Performance appraisal is a procedure at high risk of turning into routine, a meaningful start is therefore essential. The project shall coach the implementation of a sizable pilot, up to the agreement of performance reports with related personal development plans, as main output of performance evaluation. In the institutions that agree to participate, piloting should emphasise the evaluation of managerial staff, but also cover that of subordinates in a significant part of the sample. The scheme shall be followed by an analysis with CSO to recalibrate adopted policies, and plan roll-out to the entire civil service.

Mandatory Result / Component 4: CS training system improved in line with the Principles of Public Administration.

Overall Indicators - Score on SIGMA Principles (2018 baseline, 2021 target) for:

- 1) *Co-ordination of the civil service training policy (sub-indicator 3.5.1.2) (3/3 to 3/3),*
- 2) *Development, implementation and monitoring of training plans (sub-indicator 3.5.1.3) (0/3 to 2/3),*
- 3) *Evaluation of training courses (sub-indicator 3.5.1.4) (0/2 to 1/2).*

The last Component shall help implementing the new semi-decentralized training system, for which FDPM Decree nr. 2-N/2019 already provides a set of procedures for institutions to assess training needs and produce training plans. Drawing inspiration from SIGMA's findings, the project shall help reinforcing the system with special focus on getting the best out of the resources potentially available - through improvements to the management of the training cycle, and the promotion of cost-effective delivery techniques (e.g. distance learning, structured on-the-job training, use of mobility). The project shall further guide institutions in the practical design of training activities, and specifically support the CSO in organizing horizontal ones.

Sub-result (4.1): Training management system improved

The indicators of achievement are:

- 1) *Share of institutions' training plans approved by CSO after requested improvements (2019: 0%; 2021: 25%)*
- 2) *Share of institutions whose HRM specialists attended training in design and management of training (2018: 0%; 2021: 25%)*

In parallel with the implementation of FDPM Decree 2-N/2019, the project shall assist the CSO in considering the addition of more elements aimed to advance the amount and quality of training delivered by all institutions. Examples within existing bylaws may concern the prioritization of the contents of training plans and their coordination across institutions, as well as requirements to evaluate training delivery and impact.

HRM specialists in the institutions have often too little experience of planning or organizing training, since all mandatory trainings were previously organized exclusively by CSC and in the minimal measure of one week of training every 3 years per civil servant. To relaunch training, a thorough introduction to the new system will be needed, including rudiments of theory and sufficient familiarization with the practical steps of designing, resourcing, and monitoring delivery by outsource contractors.

Sub-result (4.2): Online training provision enabled

The indicators of achievement are:

- 1) *Share of off-the-job training delivered in distance learning format (2018: 0%, 2021: 20%)*

FDPM Decree 2-N/2019 commits to online training to reach a large audience with a small budget. The decision originated in the CSRS, aiming at 20% of all training going virtual by 2020. However, the CSO met difficulties in arranging an e-learning platform. The assistance, also relevant to training in all project Components, shall identify solutions (in line with resources, functionalities and number of users) finalized to deploying a platform (open source, proprietary or newly developed, acquired by donation or procurement), technically administrating it, and managing its contents.²⁰

Sub-result (4.3): On-the-job training schemes structured

The indicators of achievement are:

- 1) Share of institutions' approved training plans including structured on-the-job schemes (2018: 0%; 2021: 50%)*

Apart from off-the-job training (frontal or online), the LCS hint at the need for institutions to use on-the-job methods like mentoring or shadowing (e.g. the LCS for interns), mobility (i.e. the LCS on secondments, swaps, transfers) and networking (e.g. the CSRC for HRM specialists). Integrating learning and performance, these are the most cost-effective techniques for internal transfers of knowledge and skills, but require specific structuring to avoid reducing them to just another form of staffing. The project should assist the CSO to address obstacles and deploy incentives to their greater use within and across institutions, as well as to facilitate the design of actual schemes.

Sub-result (4.4): Leadership capacity of senior managers strengthened

The indicators of achievement are:

- 1) Share of senior managers (Secretaries General, heads of agencies, department heads) that attended one CSO module other than on HRM (2019: 0%, 2021: 50%)*

Finally, and familiarizing institutions with training design, the project shall support the implementation of actual training programmes for senior managers (SGs, heads of agencies, heads of departments). Training shall include topics of high relevance for senior managers, however, other than on HRM. The project, therefore, should assist the CSO in developing the first core of a horizontal curriculum for the most senior group, scalable for junior staff.

3.6. Input from the EU Member State Partner Administration(s).

3.6.1 Profile and tasks of the Project Leader (PL)

The profile of the PL shall comply with the following:

- Proven contractual relation to a public administration or mandated body;
- University degree in relevant discipline (public administration, economics, law, political science, etc.) or equivalent professional experience of 8 years;
- Minimum of 3 years of professional experience in MS institutions relevant to administrative reform;
- Excellent spoken and written English language skill;
- Strong analytical and report writing skills;
- Good communications, team work, and inter-personal skills;

The tasks of the PL shall include the following:

- Overall lead of the implementation of the project;

²⁰ In line with provisions as foreseen in paragraph 3.6 of the Twinning Manual.

- Mobilization of the necessary expertise required for the implementation of project activities;
- Monitoring and steering the project implementation with RTA and taking corrective measures if and when needed;
- Ensuring timely achievement of the project results;
- Co-chairing and participation in quarterly meetings of the Project Steering Committee.

3.6.2. Profile and tasks of the Resident Twinning Adviser (RTA)

The profile of the RTA shall comply with the following:

- Proven contractual relation to a public administration or mandated body;
- University degree in relevant discipline (public administration, economics, law, political science, etc.) or equivalent professional experience of 8 years;
- Minimum 3 years of professional experience in the area of civil service in a similar to the CSO institution or a comparable structure in a Member State;
- Proven knowledge of EU laws and best practices in civil service area;
- Strong analytical and report writing skills;
- Good communications, team work, and inter-personal skills;
- Excellent spoken and written English language skill;
- Working knowledge of Russian and experience in the region will be considered an asset.

The tasks of the RTA shall include the following:

- Day-to-day implementation of the Twinning project;
- Preparation, in close cooperation with all relevant actors, of the initial work plan and regular updates of the work plan to be transmitted to the Project Steering Committee under the authority of the Member State PL;
- Ensuring the timely and correct implementation of the activities as outlined in the initial and subsequent work plans;
- Overall coordination of the activities of the team members in line with the agreed work plan to enable timely completion of project outputs;
- Provide advice to and technically assist the representatives of the Beneficiary administration;
- Keep the Beneficiary PL informed about the implementation and report regularly to the Member State PL;
- Jointly with the Beneficiary institution, liaise with other Armenian institutions and programmes of the EC and other development partners.

3.6.3. Profile and tasks of Component Leaders

The project team shall include 4 Component Leaders.

The profile of the Component Leaders shall comply with the following:

- University degree in relevant discipline (public administration, economics, law, political science, etc.) or equivalent professional experience of 8 years;

- Minimum 3 years of professional experience in civil service filed within a MS institution;
- Proven experience in selection and recruitment in the civil service (applicable for Leader of Component 2 only);
- Proven experience in performance appraisal in the civil service (applicable for Leader of Component 3 only);
- Proven experience in civil service training sphere (applicable for Leader of Component 4 only);
- Excellent spoken and written English language skill;
- Strong analytical and report writing skills;
- Good communications, team work, and inter-personal skills.

The tasks of the Component Leaders shall include the following:

- Coordinate planning and implementation of the Component of the project;
- Provide technical input on its knowledge area as required for Component;
- Contribute to effective monitoring and reporting;
- Proposing to the RTA corrective measures needed to achieve timely delivery according to work plan;
- Liaise with the beneficiary's RTA counterpart and relevant staff members of the Beneficiary administration on a regular basis.

3.6.4. Profile and tasks of other short-term experts

The project shall also deploy additional short-term experts selected amongst civil servants and staff of approved mandated bodies to support the implementation of the four project Components, with the amount of input that will be agreed with the beneficiary as part of the Twinning work plan. The MS may demonstrate availability of a pool of potential STEs sufficient to cover the project's main themes, whose profile shall comply with the following general requirements:

- University degree in a discipline relevant to the assignment or equivalent professional experience of 5 years linked to the specific subject;
- Minimum 3 years of professional experience in MS institutions relevant to administrative reform;
- Minimum 3 years of working experience in the respective field, relevant to the assignment;
- Experience in legal drafting and policy development, including in carrying out impact assessment and inter-ministerial and public consultation;
- Good communication, team work, and inter-personal skills;
- Excellent spoken and written English language skills.

Themes to be potentially covered by other short-term experts depend on the type of inputs considered necessary to deliver the project's mandatory results. As a general rule, they will focus on producing or guaranteeing the quality and timeliness of activities' outputs, including contributions in the areas of HR management, HR development, regulatory management, budgeting, specifications for IT systems, or communication and management of events. Particularly attention should be placed on adequate staffing of the support to piloting schemes with civil servants experienced in similar tasks.

4. BUDGET

The maximum budget available for the Twinning Grant is 1,300,000 EUR

5. IMPLEMENTATION ARRANGEMENTS

5.1 Implementing Agency responsible for tendering, contracting and accounting

The European Union Delegation in Yerevan (Armenia) will be responsible for the tendering, contracting, payments and financial reporting, and will work in close co-operation with the Beneficiary. The person in charge of this project at the Delegation is:

Paulius Strelciunas

International Aid/Cooperation Officer - Head of PAR, PFM and Anti-Corruption Portfolio

Delegation of the European Union to Armenia

21 Frik Street, Yerevan 0002, Armenia

Telephone: + 374 (10) 54 64 94

E-mail: Paulius.Strelciunas@eeas.europa.eu

5.2 Institutional framework

The main beneficiary of the project is the Civil Service Office (CSO), established as central personnel policy unit of the Government of Armenia in July 2018. Located in Yerevan, the CSO operates as part of the Office of the Prime Minister, under the Deputy (DPM). It currently has an overall staff of 38. It is led by the Director and two Deputies, coordinating 5 Departments: for Organization and Legal Affairs, Analysis and Development Projects, for Evaluation and Classification, for Work Remuneration Policy, as well as for Replenishment and Improvement (see Annex 3).

CSO's responsibilities include building capacity for HRM within its 72 client institutions. Arrangements there mostly consist of the institution's SG and a subordinate HR Unit, with staff averaging between 3 and 6 (Ethics Committees and Integrity Officers are also part of the set-up, but are dealt with by a different Twinning). The project will address decentralized needs via the CSO. A few institutions have training centres; the PA Academy under the President, however, is not part of the system as activities mostly focus on tertiary education in the social sciences, largely for non-civil servants.

Other institutions may be involved in project activities, also approached through the CSO to respect and reinforce accountability lines. These may include the Office of the Prime Minister and that of the DPM within it, to which the CSO reports; the ministries of Finance, Labour & Social Affairs, Territorial Administration & Development, as well as the EKENG. The Ministry of Economic Development & Investments, through its EU Programs Administration Division (PAO) is the national coordinators for EU programmes including Twinning, and will also be involved in project delivery.

5.3 Counterparts in the Beneficiary administration:

The PL and RTA counterparts will be staff of the beneficiary administration - the CSO - and will be actively involved in the management and coordination of the project.

5.3.1 Contact person:

Gayane Bunyatian

Head of Analysis and Development Programmes

Civil Service Office of the Republic of Armenia

89 Teryan street, Yerevan 0009, Armenia
Telephone: + 374 10 520253 [switchboard]

5.3.2 PL counterpart

Garush Davtyan
Head of the Civil Service Office of the Prime Minister's Office
1 Government House, Republic Square, Yerevan 0010, Armenia
Telephone: + 374 10 520123 [switchboard]

5.3.3 RTA counterpart

Gegham Sargsyan
Deputy Head of the Civil Service Office of the Prime Minister's Office
89 Teryan street, Yerevan 0009, Armenia
Telephone: + 374 10 520137 [switchboard]

6. DURATION OF THE PROJECT

The intended duration of the project is 24 months. The execution period will end 3 months after the implementation period of the work plan, which will take 21 months.

7. MANAGEMENT AND REPORTING

7.1. Language

The official language of the project is the one used as contract language under the instrument (English). All formal communications regarding the project, including interim and final reports, shall be produced in the language of the contract.

7.2. Project Steering Committee

A project steering committee (PSC) shall oversee the implementation of the project. The main duties of the PSC include verification of the progress and achievements via-à-vis the mandatory results/outputs chain (from mandatory results/outputs per component to impact), ensuring good coordination among the actors, finalizing the interim reports and discuss the updated work plan. Other details concerning the establishment and functioning of the PSC are described in the Twinning Manual. Other stakeholders as well as development partners active in the sector might be included as observers in the PSC to ensure better coordination and synergies with ongoing support.

7.3. Reporting

All reports shall have a narrative section and a financial section. They shall include as a minimum the information detailed in section 5.5.2 (interim reports) and 5.5.3 (final report) of the Twinning Manual. Reports need to go beyond activities and inputs. Two types of reports are foreseen in the framework of Twinning: interim quarterly reports and final report. An interim quarterly report shall be presented for discussion at each meeting of the PSC. The narrative part shall primarily take stock of the progress and achievements via-à-vis the mandatory results and provide precise recommendations and corrective measures to be decided by in order to ensure the further progress.

8. SUSTAINABILITY

The sustainability of the project rests in the first place on its design. Intended results respond in fact to the need of the CSO and its client institutions to fulfil the new responsibilities assigned to them by the LCS, concerning functions that are either new or differently structured than under the previous law. The CSO expects the project to help building up the needed systems and capacity -

with little chance of backsliding towards previous or interim solutions no longer compatible with the new legislation. This translates in high commitment of the beneficiary to integrate results into its work plans and practices.

Results' quality and fit within wider Armenian reforms are also essential to sustainability. The design of all policy and normative measures will be aligned with priorities in national medium-term planning frameworks. It will be assisted by impact assessments, cost estimates and consultations as expected by domestic rules or, missing any, by the SIGMA Principles. All results will moreover be consulted with SIGMA and the EU Delegation to Armenia, to ensure match with recommendations provided in the course of longer-term monitoring by the OECD programme or the Budget Support verification system.

As for budgetary sustainability, the CSO shall include in its medium-term and annual budget requests the resources needed for continued implementation of project results, and shall use its position under the PM to support the budgetary requests of other institutions in the part related to project results the implementation of which is decentralized.

9. CROSSCUTTING ISSUES

The design and implementation of activities shall follow good governance and human rights principles. In particular, the non-discrimination clause in art. 13 LPS ensures equal opportunities of access, career and pay regardless of gender, ethnic origin, religion, political or other views or status. The CSO commits to enforce it in project activities, including on evaluation and training, to the high standards of the EU Equal Opportunity Directives. The project is in line with the Gender Equality Policy Marker "to advance gender equality and women's empowerment or reduce discrimination and inequalities based on sex".

10. CONDITIONALITY AND SEQUENCING

No precondition is set for the deployment of the project, as the entry into force of the LCS in July 2018 and the staffing of the new CSO provide sufficient basis for implementation. Since the project shall complement the EU Budget Support already agreed for the PAR area, the design of project activities shall take into account the time set for the verifications of any specific indicators relevant to the focus of the Twinning. As for the sequencing issues internal to the workplace of the project, summary indications are provided for each Component.

The CSO commits itself to actively contribute to the success of the project, including by:

- Engaging in joint and frank discussion of project activities;
- Integrating agreed project activities in its work programme;
- Assigning competent specialists as counterparts for each project Component;
- Releasing staff to participate in the activities, not limited to formal training events;
- Ensuring access to information and documents necessary to implement project activities;
- Facilitating project access to decision-makers and relevant staff from other institutions;
- Ensuring coordination with the staff of CSO's other international cooperation partners;
- Providing the facilities and work conditions that are spelt out in point 12 of this this fiche.

11. INDICATORS FOR PERFORMANCE MEASUREMENT

The main indicators for performance measurement are (based on the Principles of Public Administration):

- Existence of a central, capable co-ordination body (Sub-indicator 3.3.1.6)
- Professionalism of HRM units in civil service bodies (Sub-indicator 3.1.1.7)

- Availability and use of data on the civil service (Sub-indicator 3.1.1.9)
- Meritocracy and effectiveness of recruitment of civil servants (indicator 3.3.1)
- Merit-based recruitment and dismissal of senior civil servants (indicator 3.3.3)
- Professionalism of performance assessments (sub-indicator 3.5.1.5)
- Linkage between performance appraisals and measures designed to enhance professional achievement (sub-indicator 3.5.1.6)
- Co-ordination of the civil service training policy (sub-indicator 3.5.1.2)
- Development, implementation and monitoring of training plans (sub-indicator 3.5.1.3)
- Evaluation of training courses (sub-indicator 3.5.1.4)

The more detailed indicators for performance measurements have been outlined above in the section 3.5. and in the logical framework in annex 1.

The logical framework, including the indicators will be revisited during the inception period of the project. The work plan which will be composed in collaboration between the MS and the CSO will further refine and specify the indicators.

12. FACILITIES AVAILABLE

The CSO commits to make available to the Twinning project team:

- Adequately furnished office space at its premises and sufficient for the RTA and the RTA assistants;
- Until hiring of assistants is possible, one of its staff members to be made available to cover needs;
- Office accommodation at its premises for short-term experts (including within the relevant units);
- Normal access to the common telephone, internet connection, as well as photocopying facilities;
- Suitable and equipped venues for the training sessions and meetings organized by the Project;
- Security of premises by the standards and practices applicable for public institutions in Armenia.

ANNEXES TO PROJECT FICHE

The following annexes are attached to the Twinning project fiche:

- 1) Logical framework matrix in standard format
- 2) Organizational structure of main beneficiary institution
- 3) List of relevant strategic plans, laws, regulations and assessments
- 4) EU Annual Action Programme documents
- 5) List of sector assessments from other organisations
- 6) Civil Service Reform Strategy and Implementation Plan

Annex 1: SIMPLIFIED LOGICAL FRAMEWORK

	Description:	Indicators (with relevant baseline and target data):	Source of verification:	Risks:	Assumptions:
Overall objective	To improve transparency, accountability and efficiency of the Armenian central public administration in view of citizens' and businesses' needs	Score in World Bank Good Governance Indicators (2017 baseline; 2021 targets): (a) Voice & Accountability (32.5 to 35); (b) Government Effectiveness (50 to 54); (c) Regulatory Quality (64 to 66).	Last published WB GGI dataset	None additional (objective from Action Document on PA for the whole PAR sector, towards which the project is to contribute)	The WB publishes dataset within reasonable time from the end of the project.
Specific objective of the project	To strengthen professionalism and well-functioning of Civil Service in line with the Principles of Public Administration	Score in Quality of Government (QoG) Institute Expert Survey, as WB GGI source on CS (2015 baseline; 2021 targets): (a) CS professionalism index (from 4 to 5); (b) CS impartiality index (from 4 to 2).	Last published QoG dataset	None additional (objective from Action Document on PAR for the CS area, for which the project is the only technical assistance)	The QoGI publishes dataset within reasonable time from the end of the project.
Mandatory results for Component 1	Result 1: Capacity of CSO and client institutions increased in line with the Principles of Public Administration	Score on SIGMA Principles (2018 baseline, 2021 targets): (a) Existence of a central, capable co-ordination body (Sub-indicator 1.6) (2/4 to 3/4) (b) Professionalism of HRM units in civil service bodies (Sub-indicator 1.7) (1/2 to 2/2), (c) Availability and use of data on the CS (Sub-indicator 1.9) (1/5 to 3/5).	Last published SIGMA Monitoring Report	Methodological changes in measurements by SIGMA	SIGMA publishes report within a reasonable time from the end of project
Sub-results per Component 1	Sub-result 1.1: The institutional set-up of CSO and HR Units optimised in line with benchmarking functional review recommendations	(a) Share of CSO staff devoted to follow and advise specific client institutions (2018: approx. 30%; 2021: 50%) (b) Share of benchmarking functional review of CSO and HR Units recommendations which have been implemented (2018: NA;	SCO approved project reports CSO annual activity report	Systemic rigidities concerning restructuring across institutions complicate resource optimization	Government implements project-proposed measures CSO annual report's format includes

Description:	Indicators (with relevant baseline and target data):	Source of verification:	Risks:	Assumptions:
		2021: above 50%) (c) Share of HR Units that have staffed all HRM functions under their responsibility (2019: to be determined; 2021: 90%)	CSO annual activity report	project indicators
Sub-result 1.2: Increased participation of HRM specialists in practice improvement through their professional Network	(a) Number of regular 6-monthly meetings of the HRM professional network with pre-defined agenda conducted (2018: 1; 2021: at least once in 6 months from the start of the project) (b) First edition of manual for work of HRM professionals including practical cases drafted (2018: No; 2021: Yes). (c) Number of HRM questions answered by peers or CSO on Network's virtual forum (2018: 0; 2021: 20)	SCO-approved project reports SCO-approved project reports CSO website	Passiveness of HR specialists and reluctance to more proactive role under a new decentralized system	Government implements project-proposed measures CSO website established
Sub-result 1.3: Increased knowledge of line managers on HRM issues after compulsory training	(a) Share of heads of department that attended the basic compulsory curriculum in HRM (2018: 0%; 2021: 90%)	HRMIS (training records)	Line managers not keen to take part in training, including its e-learning elements	Government implements project-proposed measures HRMIS established
Sub-result 1.4: Increased information exchange on CS-related issues among individual civil servants and wider public through media tools	(d) CSO's website traffic growth: number of unique visitors (2018: NA; 2021: 30% of the total number of civil servants) (e) CSO's institutional Facebook page traffic growth: number of followers (2018 baseline: 458; 2021 target: around 3000).	CSO website CSO Facebook Page	Lack of civil servants' interest in CS-related issues Lack of wide public interest in CS-related reforms	CSO allocates budget for creation of its user-friendly website CSO produces relevant media contents
Sub-result 1.5: Payroll data consolidated in line with principles agreed between the Ministry of Finance and CSO	(a) Number of regular statistical overviews with consolidated pay data published by CSO (2018: 0; 2021: 4)	CSO website	Lack of interest of MoF and/or resistances by some institutions to provide pay	Government implements project-proposed measures

	Description:	Indicators (with relevant baseline and target data):	Source of verification:	Risks:	Assumptions:
			CSO annual activity report	data to outsiders	CSO website established
Mandatory results for Component 2	Result 2: Recruitment & selection systems strengthened in line with the Principles of Public Administration	Score on SIGMA Principles (2018 baseline, 2021 target): (a) Meritocracy and effectiveness of recruitment of civil servants (indicator 3.3.1) (3/5 to 4/5), (b) Merit-based recruitment and dismissal of senior civil servants (indicator 3.3.3) (3/5 to 4/5).	Last published SIGMA Monitoring Report	Methodological changes in measurements by SIGMA	SIGMA publishes report within a reasonable time from the end of project
Sub-results per Component 2	Sub-result 2.1: HR planning practices introduced in CS institutions	(a) Number of secondary legislation on Human Resources planning guidelines drafted in an inclusive and evidence-based manner (2018: 0; 2020: 1); (b) Share of temporary contractors relative to the total of CS positions (2018: estimated way above 5%; 2021: 5%)	CSO annual activity report CSO annual activity report	Slow start awaiting the expiration of a sizable number of temporary contracts made in recent months	Government implements project-proposed measures
	Sub-result 2.2: Improved attractiveness of CS for qualified applicants	(a) Average number of eligible applicants per managerial position in the last year (2017: 1.2; 2021: 4) (b) Delivered study on CS attractiveness, addressing reputational and other factors (2018: No; 2020: Yes).	HRMIS reports (application and testing) SCO-approved project reports	Negative news reports (regardless of truthful basis) that affect the reputation of the public sector	Government implements project-proposed measures State budget funding any information campaigns HRMIS established (or paper-based reports issued)
	Sub-result 2.3: Improved selection rules, especially for interview stage	(a) Share of selection panel members that received specific training for their role in	HRMIS (selection and training records)	High turnover of appointed selection panel members in	Government implements project-

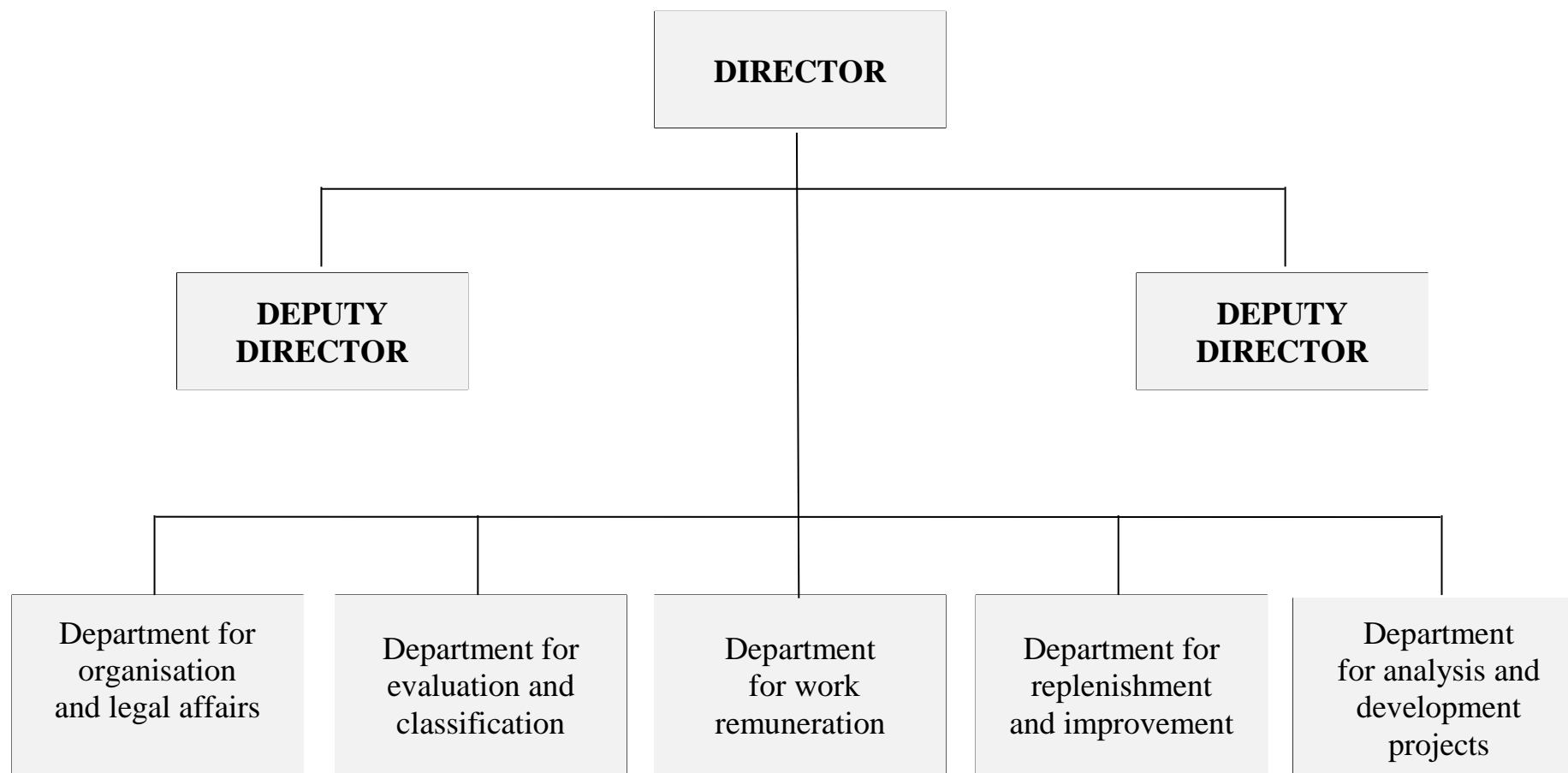
	Description:	Indicators (with relevant baseline and target data):	Source of verification:	Risks:	Assumptions:
		last year (2018: 0%; 2021: 75%); (b) Share of selection panels for managers including political officials or advisers (2018: high, 2021: 0%) (c) Delivered amendments to secondary legislation related to selection, including guidelines on interviews drafted (2018: No; 2022: Yes)	HRMIS (selection and training records) SCO-approved project reports	some or all the institutions	proposed measures HRMIS established (or paper-based reports issued)
	Sub-result 2.4 - Discussion on future establishment of a Senior Civil Service (SCS) advanced.	(a) Delivered proposed amendments to bylaws/ primary legislation related to SCS (based on delivered concept paper on the options and benefits of establishing a SCS) (2018: No; 2021: Yes).	SCO-approved project reports	Preference of ministers for exploiting all channels of influence available in LCS	Government implements project-proposed measures for the short-term period
	Sub-result 2.5: Support to the CS aspects of the restructuring process provided	(a) Number of comparative organisational studies drafted, including options and their impact assessment (2018: NA; 2021: 2), (b) Share of highly educated staff dismissed from reserve lists in last year (2018: to be calculated at the start of the project, 2021: TBD, constituting a significant decrease compared to the baseline value)	SCO-approved project reports HRMIS (dismissal records)	Political interference in dismissal decisions	Government officials restrain from politicisation Government implements project-proposed measures
Mandatory results for Component 3	Result 3: CS performance appraisal system improved in line with the Principles of Public Administration	Score on SIGMA Principles (2018 baseline, 2021 target): (a) Professionalism of performance assessments (sub-indicator 3.5.1.5) (0/4 to 3/4) (b) Linkage between performance appraisals and measures designed to enhance professional achievement (sub-	Last published SIGMA Monitoring Report	Methodological changes in measurements by SIGMA	SIGMA publishes report within a reasonable time from the end of project

	Description:	Indicators (with relevant baseline and target data):	Source of verification:	Risks:	Assumptions:
		indicator 3.5.1.6) (4/4 to 4/4)			
Sub-results per Component 3	Sub-result 3.1: Rules of performance appraisal improved	(a) Amendments to secondary legislation on performance appraisal delivered before and after pilot (2018: No; 2020: Yes; 2021: Yes) (b) Share of civil servants evaluated with highest mark in the last year (2018: 95%; 2021: 15%).	HRMIS (performance evaluation report) SCO-approved project reports SCO-approved project reports	Delays caused by resistances to incorporate most generalized bonuses into the basic pay	Government implements project-proposed measures
	Sub-result 3.2: Performance appraisal procedures digitalised	(a) Share of performance appraisal procedures carried out via the dedicated software (2018 baseline: 0%, 2021 target 100%)	HRMIS (performance evaluation report)	WB contractor unresponsive to significant additions to HRMIS specifications	Government implements project-proposed measures New procedures exceed original specifications for WB-funded HRMIS
	Sub-result 3.3: Rules on performance-related pay bonuses improved	(a) Share of total wage bill for top managers paid as performance bonuses (2018: at least 20%; 2021: 5%)	Consolidated payroll data	Political difficulties arising from the reform possibly differentiating treatment in CS and public service	Government implements project-proposed measures Sub-result 1.2 on payroll data consolidation achieved
	Sub-result 3.4: Stakeholders in performance appraisal trained	(a) Share of top and middle managers trained in the performance appraisal system (2018: 0%; 2021: 90%)	HRMIS (training records report)	Insufficient trainers to also cover middle management in short time (complementing with e-learning)	Government implements project-proposed measures The trained trainers transfer knowledge in their institutions

	Description:	Indicators (with relevant baseline and target data):	Source of verification:	Risks:	Assumptions:
	Sub-result 3.5: Renewed performance appraisal system piloted	(a) Share of all managers with agreed personal development plans (2018: 0%; 2021: 90%); (b) Share of institutions with personal development plans agreed for 90% of staff (2018: 0%; 2021:10%).	HRMIS (performance evaluation report)	Political difficulties in agreeing in the time available on volunteer institutions piloting on full staff	Government implements project-proposed measures Government agrees on prioritizing managers Sub-results 3.1 to 3.4 achieved
Mandatory results for Component 4	Result 4: CS training system improved in line with the Principles of Public Administration	Score on SIGMA Principles (2018 baseline, 2021 target): (a) Co-ordination of the civil service training policy (sub-indicator 3.5.1.2) (3/3 to 3/3), (b) Development, implementation and monitoring of training plans (sub-indicator 3.5.1.3) (0/3 to 2/3), (c) Evaluation of training courses (sub-indicator 3.5.1.4) (0/2 to 1/2).	Last published SIGMA Monitoring Report	Methodological changes in measurements by SIGMA	SIGMA publishes report within a reasonable time from the end of project
Sub-results per Component 4	Sub-result 4.1: Training management system improved	(a) Share of institutions' training plans approved by CSO after requested improvements (2019: 0%; 2021: 25%) (b) Share of institutions whose HRM specialists attended training in design and management of training (2018: 0%; 2021: 25%)	CSO annual activity report	The CSO alone has insufficient leverage to enforce good planning on decentralized training budget	Government implements project-proposed measures MoF requires CSO's green light to agree training funds
	Sub-result 4.2: On-line training provision enabled	(a) Share of off-the-job training delivered in distance learning format (2018: 0%, 2021: 20%)	HRMIS (training records)	Insufficient resources at both CSO and the project (all Components combined) to deploy the platform	Government implements project-proposed measures The CSO has not acquired access to an

	Description:	Indicators (with relevant baseline and target data):	Source of verification:	Risks:	Assumptions:
					e-learning platform from other sources
	Sub-result 4.3: On-the-job training schemes structured	(a) Share of institutions' approved training plans including structured on-the-job schemes (2018: 0%; 2021: 50%)	HRMIS (training plans) or CSO annual activity report	On-the-job techniques agreed upon without any significant implication for the wage bill	Government implements project-proposed measures HRMIS established (or paper-based reports issued)
	Sub-result 4.4: Leadership capacity of senior managers strengthened	(a) Share of senior managers (Secretaries General, heads of agencies, department heads) that attended one CSO module other than on HRM (2019: 0%, 2021: 50%)	HRMIS (training records)	Lack of funds or delays result in delivery to a smaller group only	Government implements project-proposed measures CSO will contract trainers for this activity individually HRMIS established

Annex 2: ORGANISATIONAL STRUCTURE OF THE CIVIL SERVICE OFFICE OF THE PRIME MINISTER'S OFFICE



Annex 3: LIST OF RELEVANT STRATEGIC PLANS, LAWS AND REGULATIONS

I. MAIN STRATEGIC PLANS

1. Armenia Development Strategy 2014-2025, Government decree No. 442- N of 27/03/2014 (https://eeas.europa.eu/sites/eeas/files/armenia_development_strategy_for_2014-2025.pdf)
2. Civil Service Reform Strategy and Implementation Action Plan, Government protocol decision No. N57 of 29/12/2015

II. MAIN RELEVANT LAWS

1. RA Law on Civil Service, N HO-205-N, adopted on 29.03.2018
2. RA Law on Public Service, N HO-172-N, adopted on 14.06.2011
3. RA Law on Public Servants Salaries, N-157-N, adopted on 28.12.2013

III. MAIN RELEVANT BYLAWS

1. Decree No. 792-N of the Government of the Republic of Armenia of July 10, 2018 "On the Procedure for Concluding Labor Contracts".
2. Decree N 1135-N of the Government of the Republic of Armenia of September 27, 2018 "On Making Amendments and Additions to the Resolution of the Government of the Republic of Armenia No. 792-N of July 10, 2018".
3. Decree No 814-N of the Government of the Republic of Armenia of July 19, 2018 "On the Procedure for Service Investigation".
4. Decree 973-L of the Prime Minister "On Approval of the Charter of the Office of the Civil Service of the Prime Minister's Office of the Republic of Armenia" dated July 17, 2018.
5. Decree No. 29-N of the First Deputy Prime Minister of July 31, 2018, " On Organizing and Performing the Functions of the Civil Service Office in non- electronic mode before the elaboration of the electronic programs envisaged by the Law of the Republic of Armenia"
6. Decree No. 271-N of the First Deputy Prime Minister of the Republic of Armenia on Making Amendments and Addenda to the Decision No. 29 of the First Deputy Prime Minister of the Republic of Armenia on 5 November 2018, 2018.
7. Decree No 878-N of the Government of the Republic of Armenia of August 2, 2018 "On Establishment of Procedures for Attracting Expertise by State Bodies for Implementation of Specific Tasks".
8. Decree N 967-N "On Defining Cases and Procedure of Occupation of Civil Service Positions by Diplomats on Posting" in accordance with the RA Law "On Diplomatic Service "of August 30, 2018".
9. Decree N 968-N of the Government of the Republic of Armenia of August 30, 2018 "On Setting Issues of Judicial Representation in Judicial Acts with the Participation of the Civil Service Council of the Republic of Armenia".
10. Decree No. 181-N of the First Deputy Prime Minister "On establishing the list of civil service positions occupied by diplomats on posting" in accordance with the Law of the Republic of Armenia on "Diplomatic Service" of September 10, 2018.

11. Decree No. 192-A of the First Deputy Prime Minister “On the Requirement for the Inclusion of Civil Servants in the Civil Service Ethics Commission” of 8 October 2018.
12. Decree No 1239-N of the Government of the Republic of Armenia of November 8, 2018 "On the Establishment of the Terms and Procedure of Posting and Business Trips of Civil Servant".
13. Decree No 1246-N of November 8, 2018 "On Approval of the Procedure for Accounting of Property Transferred (Attached) to the State Authority".
14. Decree No 1287-N of the Government of the Republic of Armenia of November 15, 2018 "On Approving the Procedure and Conditions for Providing a Civil Servant"
15. Decree No. 270-N of the First Deputy Prime Minister of November 5, 2018 "On Approval of Privileges on Appointment, Training, Performance Assessment, Service Exams and Positions on Civil Service Positions Related to State and Service Secrets”
16. Decree No. 335-N of the First Deputy Prime Minister of November 15, 2018 "On Defining the Procedure Personnel Management while Occupying a Position, Being Transferred to New Position and Being on Business Trips"
17. Decree N 1303-N of the Government of the Republic of Armenia of November 15, 2018 "On the Procedure and Conditions Occupying a Position, Being Transferred to New Position and Being on Business Trips”
18. Decree No. 336-A of the First Deputy Prime-Minister on November 16, 2018 "On Distribution of the Requirements and the Schedule of defining the Classification and Criteria of the Civil Service Positions as established the “Law on Civil Service”
19. Decree No. 1493-N of the Prime Minister "On Approval of the Schedule and Procedures for Propagating the Scope of the Law of the Civil Servant" on November 7, 2018.
20. Decree N 1420-N of the Government of the Republic of Armenia from November 29, 2018 “On Making Changes and Amendments in a Number of Governmental Decrees”.
21. Decree N 439-N of the First Deputy Prime Minister of RA from December 12, 2018 “On Registering persons for Internship and Defining the Peculiarities of their Participation in the Activities”.
22. Decree N 440-L of the First Deputy Prime Minister of the RA from December 12, 2018 “On Defining the Procedure and Schedule for Shifting to Electronic Personal Files Maintenance System”.
23. Decree N 441-N of the First Deputy Prime Minister of RA from December 12, 2018 “On Defining the Peculiarities of the Probation Period of Civil Servants”.
24. Decree N 1554-N of the Government of RA from December 27, 2018 “On defining the Procedure of the Competition for filling vacant civil service positions”.
25. Decree N 1520-N of the Government of 27 December 2018 "On Establishing the Procedure for Running the Civil Service Personnel Reserve, Registration in the Personnel Reserve and Removal from the Staff Reserve".

26. Decree N 499-A of the First Deputy Prime Minister of RA from December 25, 2018 “On Designing Competition Tests for Filling Vacant Civil Service Positions, Defining the Ways of Preparing Complete Test Tasks, Defining Contextual Peculiarities of Test Tasks, the Quantity of Tests Tasks, the Methodology and Format of the Interview”.
27. Decree N 490-N of the First Deputy Prime Minister of RA from December 28, 2018 “Designing Competition Tests for Rating Lists, Defining the Ways of Preparing Complete Test Tasks, Defining Contextual Peculiarities of Test Tasks and the Quantity of Tests Tasks”.
28. Decree N 2-N of the First Deputy Prime Minister of RA from January 9, 2019 “On defining the Civil Servants’ Training Procedure, Main Criteria solicited from Training Organizations, Main Principles of Credit Formulation, Assessing the Needs and Preparing an Individual Programme, as well as Preparing a Training Program for the Corresponding Body, Defining the Principles of Recognition of International Certificates and their types”.
29. Decree N 3-N of the First Deputy Prime Minister of RA from January 11, 2019 “On Approving the Methodology for defining Requirements for Civil Service Position Evaluation, Classification, Titles, Design of Civil Service Position Passports, Localization of Positions in the General System, Definition of Rights and Duties, Administration of the Roster, as well as Defining the Scope of Professional Knowledge and Competences for a Eligibility to a Civil Service Position”.
30. Decree N 73-N of the Government of RA from January 31, 2019 “On Defining the Procedure for Holding Testing Competitions for Forming the Rating Lists”.
31. Decree N 98-N of the Government of RA from February 15, 2019 on “Approving the List of Diseases Hindering the Execution of Responsibilities while holding a Public Service Position, a Pedagogical or Administrative Positions at Academic Institutions and on Declaring Void the RA Government Decree N 1801-N from December 15, 2011”.
32. Decree N 96-N of the Government of RA from February 15, 2019 "On Making Amendments to the Government Decree N 729-N from July 10, 2018”.
33. Decree N 106-N of the Prime Minister of RA from February 8, 2019 "On Making Changes to RA Prime Minister’s Decree N 1493-N from November 7, 2018”.
34. Decree N 97-N of the Deputy Prime Minister of RA from March 11, 2019 “On Defining Procedural Peculiarities of Maintaining the Personal Files of Persons Holding a Public Position and of Public Servants”.
35. Decree of the Deputy Prime Minister of RA “On Approval of the Methodology for Preparing Public Service Position Passports and Maintaining the Roster”. N 102-N dated March 20, 2019.
36. Decree of the Deputy Prime Minister of RA “On Defining the Procedural Peculiarities of Maintaining the Registry”. N 101-N dated March 20, 2019.

Draft legal acts pending an adoption or in process of development

37. Draft Decree of the Government of RA “On Defining the Peculiarities of Compiling the Programmes for Experimental Organization of Activities, Defining the Institutional Indicators of Results Assessment, Defining the Order of Assessment and Summarizing the Activities Institutional indicators, job assessment” (draft going to the Committee meeting on the 28th of March, 2019).

38. Draft Decree of the Deputy Prime Minister of RA “On Defining the Procedural Peculiarities of Personnel Management after Reorganization and/or Structural Changes” (draft has been submitted for signature already).
39. Draft Decree of the Government of the Republic of Armenia “On Defining the Criteria of Status of Structural Subdivisions.” (draft at the Prime Minister's Office)
40. Draft Decree of Government of the Republic of Armenia “On Defining the Rules of Civil Servants’ Performance Evaluation” is now under development.

Annex 4: EU ANNUAL ACTION PROGRAMME DOCUMENTS

AAP 2016 Action Document for Support to Public Administration Reform in Armenia: Better Service Delivery through a More Efficient and Responsive Public Administration

https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eni_2016_c2016_7226_par.pdf

Annex 5: LIST OF SECTOR ASSESSMENTS FROM OTHER ORGANISATIONS

SIGMA Programme

1. Assessment of the Civil Service System of the Republic of Armenia, 2010
(<https://www.oecd.org/countries/armenia/47600439.pdf>)
2. Principles of Public Administration (<http://www.sigmaweb.org/publications/principles-public-administration.htm>)
3. Principle of Public Administration – Armenia Baseline Report 2018 ([to be inserted after its release](#))