

Standard Summary Project Fiche for the Transition Facility

1. Basic Information

- 1.1. CRIS Number: **2004/006-245-05-01**
- 1.2. **Twinning Number: LV/2004/JH/01**
- 1.3. Title: **Ministry of Justice**
- 1.4. Sector: Justice and Home Affairs
- 1.5. Location: Latvia

2. Objectives

- 2.1 Overall Objective(s):
To ensure proper functioning of the judicial system
- 2.2 Project purpose:
To introduce human resources management incl. training - To establish a performance based financial management
- 2.3 Justification

Comprehensive monitoring report of the European Commission on the state preparedness For EU membership of the Czech republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland Slovenia and Slovakia

“(.) sufficient conditions are in place for the implementation of the *acquis* by the Latvian public administration and judiciary, but there is room for further improvements. In the field of public administration, it is important to harmonise the civil service management structure on the basis of transparent rules and services in staff matters, and to reinforce accountability of public administration (..)” (p.32)

Comprehensive monitoring report on Latvia's preparations for membership

“(.) necessary development of a strong civil service management. Clear and transparent rules and practices for promotion and career development based on merit and open competition are still needed.” (p.11)

“The implementation of the new salary system, met with particular difficulties (..) and was therefore suspended. In order to address the current problems, the process is now being reviewed, with a view to providing transparent and competitive remuneration in the public sector, starting with increasing salaries in the most problematic sectors.” (p.11)

“The strategic policy and budget planning system has started in some key ministries.” (p.11)

Administrative and judicial capacity:

- SMSC (April 2003): “Human resource capacity at the MoJ has to be improved”.
- SMSC (October 2003): “Human resource capacity at the MoJ has to be improved. Recommendation remains valid.”

3. Description

3.1 Background and justification:

As the Ministry of Justice is an important part of a member state's administration, it must ensure it has sufficient capacity to perform its mission, not only at the national level but also in supporting the common EU judicial area. The mission of the Ministry of Justice is to ensure smooth functioning of the judicial system, the demands on which will increase further after commencement of Latvia's membership in the EU. The current capacity of Ministry of Justice however has raised concerns among both the government and EU institutions.

The Functional Review, a World Bank project conducted at the Ministry of Justice in 2000, identified two key areas in need of management attention - budget and human resource development. The Review set out a number of recommendations for reform in these fields, which now need to be implemented.. Most importantly, only a simultaneous approach to budgetary policy and human resource development can secure a sustainable development of a strategic policy at the MoJ, which includes identifying a strategic framework - of objectives, annual targets, strategies, resources (incl. human resources) -to achieve long-term goals.

The State Chancellery, which assumes a horizontal responsibility for strategic planning and coordination of the government's policy, has started the elaboration of a strategic plan at the MoJ as a pilot ministry. In the strategic plan, special attention will be paid to two key sectors - budgetary policy and the capacity of the working environment at the ministry. The MoJ stands firm that additional input should be simultaneously delivered in these key sectors, and the actions of the proposed project and those of the State Chancellery regarding governmental reform are being, and have to be, closely coordinated.

The Ministry of Justice recognizes that in order to operate efficiently after EU accession, it will have to undertake a major restructuring programme addressing the following current shortfalls:

- Relation between budgetary policy, financial resources and overall performance of MoJ services. At present the budgetary policy of the Ministry represents a key obstacle to the performance of its missions and has direct effect on the overall programme accomplishment.
- Issues concerning the processes for reviewing the performance and effectiveness of key officials;
- Issues concerning MoJ's HR processes for preparing job descriptions and aligning its organisation to strategic priorities as annually the Ministry experiences staff turnover for approximately 35% of its members.
- Issues concerning management training to develop personal performance of staff leaders.

Lack of strategic development and shortage of training programmes for staff are setting back the development of the Ministry of Justice. Training within this project is addressed as a priority issue. A comprehensive training programme to support the changes and to build the existing staff into a cadre of personnel with the capacity to perform in line with the strategic policy of the Ministry of Justice has to be delivered and all training material should be compiled to ensure a proper follow-up of the project.

3.2 Linked activities:

Phare 2003 national programme project 2003/004-979-07-01 “Strengthening the Capacity of Latvian Judiciary”

Main purpose of the Phare 2003 project is to strengthen the newly established Court Administration. This project will improve ownership capabilities of the Ministry over projects and add to the experience of implementing twinning projects. Such experience will be useful for the implementation of the proposed project. The results of activities of the Phare project regarding the development of HR management system will contribute to the proposed project as a reference to specific actions to be undertaken at the MoJ.

World Bank Functional Review of 2000

In the year 2000 the World Bank project “Functional Review” was conducted at the Ministry of Justice. This project focused on reorganization of the Ministry, thus promoting its capacity, human resource management and overall performance. Nevertheless, at that time the Functional Review was not fully implemented, because of the change of the government and turnover of the staff involved in the project implementation.

3.3 Results

Component 1 - Financial Management

Revision of the latest strategic plan (elaborated by the Ministry of Justice and the State Chancellery) and assistance on performing the action steps for the restructuring, operation and performance measurement of the MoJ’s financial services in line with national priorities and European best practice, including resource allocation and budget policy, financial management and budgeting and reporting systems.

- Long-term financial strategy, goals and objectives;
- Budgeting system in line with the strategic plan;
- Effective expenditure and auditing process;
- Effective budget planning can be carried out

Component 2 - Human Resources

Proposed strategic plan for the MoJ’s Human Resources services, setting out a mission and future operating guidelines, including recommendations for management development training needs, measurement of personal performance against MoJ, national and European priorities.

- Long-term HR strategy, goals and objectives;
- Management development training programmes completed;
- Personal performance measurement;
- Preparation of job descriptions and alignment with strategy and priorities;
- Annual staff turnover diminished

3.4 Activities

The activities of this project will be grouped under 2 components;

Component 1 - Financial Management

Review of current strategy, processes, systems etc.; gap analysis; propose new financial and budgeting strategy; implementation process steps; and guidelines; after the end of the project study material for all training programmes carried out within this component are to be included in the training curricula of the MoJ staff.

- Revision of the latest version of the strategic plan and giving proposals on improvements; At the end of this activity the latest version of the strategic plan has to be evaluated and opinion should be given regarding the objectives of the ministry, the indicators of achievement and applied resources (HR and financial), moreover giving proposals and/or alternative methods for enhancing weak points of the plan in line with EU or a certain member states standards. The evaluation report should be elaborated in written form.
- Assistance in the introducing of the proposed enhancements to the strategic plan; The expert/s should provide guidelines on application of the proposed enhancements or alternative methods and define training needs on strategic planning for the highest, middle and operative management level according to best practices of the EU or a particular member state.
- Propose improvements to the process for allocating budget resources; At this stage the beneficiary would like to receive proposals on innovations for the set of actions regarding the allocation process. The expert should familiarize the beneficiary with operating tools and methods and consult on their application and adequacy in the given conditions.
- Evaluate the effectiveness of the current financial data collecting and reporting system and propose alternative methods; Under this activity the expert/s should introduce a control mechanism in line with the accepted method of strategic planning and budget resource allocation (if such a link is to be taken into account)
- Elaborate full training of trainers programme for the given proposals and/or alternative methods regarding the financial management at the Ministry of Justice; This activity should finalize after the full revision and proposal elaboration for a full budget cycle and should represent the essential follow-up to the whole Component 1. The expert should carry out training of trainers programme.

Means:

Technical Assistance (30 m/m in total):

Expert in the field of public finance for 18 m/m to organise high level analysis of current situation, strategy development and overall reporting and presentation of outputs. The expert should be particularly familiar with on-site budget management operations and should have the widest possible knowledge on alternative methods and by evaluation of the current situation should be able to propose a variety of solutions and/or enhancements according to the latest approach. Additional expert input is accounted for 12 m/m (incl. 6 m/m of input from national and international experts). The senior expert is responsible for co-ordinating the work of additional experts for assistance to the activities of Component I. These expert/s would also be responsible for assistance to the senior expert in conducting all training activities; the 12 m/m additional expertise is responsible for providing a follow-up to the project in terms of training programmes and materials;

8 two-day training seminars – 4 on strategic planning for all managing levels of the MoJ, 4 on new budgetary methods for implementing staff.

Expert's profile:

Expert has at least 10 years experience in the field of public finances. Expert is fluent in English, has excellent analytical and strategic skills, good presentation and management skills, has experience in organisation and presentation of training.

Component 2 - Human Resources

Review of current HR strategy, processes, systems etc.; gap analysis, propose new HR strategy, implementation process steps; develop a job-competences map and guidelines; after the end of the project study material for all training programmes carried out within this component are to be included in the training curricula of the MoJ staff. The proposed activities are elaborated as a conclusion of a survey conducted at the Ministry of Justice in 2003 on staff motivation. A professional and well-organised HR management in conjunction with more effective financial flow will ensure higher motivation which accordingly will significantly reduce staff turnover at the MoJ. To ensure effectiveness and proper production of the project this component would be implemented in direct co-operation with the Personnel department of the Ministry of Justice;

- Review the conformity of the job obligations to the tenable position;
For ensuring effectiveness of the operation of the ministry duties of each position should be corresponding to the purpose of the particular position, so it can directly contribute to pursuing specified objective that undermines that position.
- Conduct a revision of existing job descriptions and introduce methods of evaluation and elaboration of job descriptions;
Under this activity the beneficiary would like maximum input from the experts side in dealing with the current situation regarding job descriptions. After the evaluation report of the current situation the expert should come forward with proposals on necessary improvements and provide guidelines on elaborating job descriptions,
- Review the matching wage and incentive system and provide evaluation and enhancements applicable in the current situation;
- Introduce methods for monitoring HR development and ensuring a sustainable growth of HR capacity;
- Define training needs in the field of management development and performance measurement;
- Elaborate a full training programme in the field of management development and performance measurement, define training groups (specifying the training needs for the highest, middle and operative management levels) and carry out training;
- Elaborate a training of trainers programme in the field of management development and performance measurement and carry out training for the specified target group of trainers;
- Develop management performance measurement system, including guidelines for introduction and operations;
- Specify training needs and target groups and deliver training on the introduced management performance measurement system;

- Develop proposals and guidelines for introduction of HR reforms to MoJ subsidiary institutions;

Means:

Twinning Covenant:

1 RTE (senior specialist in HR in public sector) for 12 m/m to organise high level analysis of current situation, strategy development and overall reporting and presentation of outputs. The RTE should provide the most possibly valuable input regarding management performance development and measurement procedures.

RTE's profile:

The expert is a senior specialist in the field of HR in public sector, has at least 10 years experience in the relevant field, is fluent in English, has excellent organisational and analytical skills, and has experience in strategy development.

Short-term HR experts (STE) total input 12 m/m to provide expert support to RTE in elaborating recommendations on personnel development programmes, management appraisal systems, HR training needs, HR

STE profile:

Experts are specialists in the field of HR in public sector, have at least 5 year experience in the relevant field, are fluent in English, have good communication and presentation skills, work experience with personnel development programmes and management appraisal systems, have experience in organization and provision of training.

3.5 Lessons learned

Following the experience gained from the implementation of previous PHARE projects (see 3.2. Linked activities) it is clear that success of implementation of projects often depend on the level of commitment and ownership of the project beneficiary. Following lessons have been identified during previous Phare projects, which will be carefully taken into account during implementation of current project:

- The responsible institution has to maintain on the high level project ownership, especially with regard to overall management and coordination of the project. The project co-ordination unit of the Ministry of Justice will ensure administrative and informative support for the experts thus securing a timely and intense project implementation;
- The success of the project to the great extent is related to the ability of the experts to understand the local situation and to be flexible in implementation of the project. Previous experience has shown that in order to achieve preferable results the input from experts needs to be adjusted to the specific conditions of Latvia.
- All training material should be compiled as a follow-up of the project. A follow-up of the project needs to be secured through compiling and translating all training material.
- Senior authorities have to be involved from the project preparation stage as specialists in particular subjects. The relevance of the project demands a strong content from the highest level officials;
- There should be strong motivation and commitment from the training participants to acquire knowledge, to attend training sessions, to provide input in the training;

4. Institutional framework

The project will be implemented in the following institutional framework:

Main responsibility for the project lies with the Ministry of Justice (MoJ). The MoJ is a direct beneficiary of the project.

In order to ensure smooth implementation of the project, the Steering Committee will be established comprising representatives from the aforementioned involved institution, as well as Implementing Authority. This committee will also involve representatives of the relevant bodies at the State Chancellery and the Ministry of Finance.

Changes in the afore-described institutional framework resulting from the project are not foreseen.

5. Detailed Budget

	Transition Facility	Support			
	Investment Support	Institution Building	Total TF (=I+IB)	National Cofinancing*	IFI * TOTAL
<u>Contract 1</u> Technical Assistance		635 000	635 000	63 500	698 500
<u>Contract 2</u> Twinning Covenant		596 000	596 000	59 600	655 600
Total		1 231 000	1 231 000	123 100	1 354 100

* Parallel co-financing - will be applied for covering of office costs for experts, infrastructure facilities and travel costs for national counterparts.

6. Implementation Arrangements

6.1. Implementing Agency

Implementing agency of the project will be the Central Finance and Contracting Agency of the Ministry of Finance (CFCA). CFCA will be responsible for the financial and administrative management of the project in accordance with the Extended Decentralised Implementation System (EDIS).

Central Finance and Contracting Agency –Director
1 Smilšu street, Riga, Latvia, LV-1050
Tel: +371 7094342;
Fax: +371 7094348

Programme Authorising Officer – Deputy State Secretary of the Ministry of Finance
1 Smilšu street, Riga, Latvia, LV-1050
Tel: +371 7095545;
Fax: +371 7095421

The overall responsibility on technical implementation is under the Ministry of Justice (MoJ):

SPO – State Secretary of the Ministry of Justice - Mr. Mārtiņš Bičevskis
36 Brīvības street, Riga, Latvia, LV-1536
Tel: +371 7036802
Fax: +371 7220521

6.2 Twinning

Contact persons for the Twinning will be:

Project co-ordinator of the Ministry of Justice - Mr. Kārlis Enģelis
 36 Brivibas street, Riga, Latvia, LV-1536
 Tel: +371 7036785
 Fax: +371 7211720
 E-mail: karlis.engelis@tm.gov.lv

6.2. Non-standard aspects

There will be no non-standard aspects regarding implementation of the project. Ratio: if during project implementation the project cost for some reasons will decrease, the Transition Facility financing will also decrease proportionally.

6.3. Contracts

Contract I – Technical Assistance: 635 000 (parallel co-financing);
Contract II – Twinning Covenant: 596 000 (parallel co-financing)

7. Implementation Schedule

	Start of tendering/call for proposals	Start of Project activity	Project completion
<u>Contract I</u> Technical Assistance	III Quarter, 2004	I Quarter, 2005	III Quarter, 2006
<u>Contract II</u> Twinning Covenant	III Quarter, 2004	I Quarter, 2005	IV Quarter, 2005

8. Sustainability

Sustainability of the results achieved by the project will be ensured by implementation of the project findings and their application to real-life situations.

9. Conditionality and sequencing

There are no preconditions for starting the project.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format;
2. Detailed implementation chart;
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period).

ANNEX 1 Logical framework matrix in standard format

<u>LOGFRAME PLANNING MATRIX FOR</u>		
Project: Ministry of Justice	Contracting period expires 15 December 2006	Disbursement period expires 15 December 2007
	Total budget : <u>1 354 100</u>	TF budget : <u>1 231 000</u>

Overall objective	Indicators of Achievement	Sources of Information	
To ensure proper functioning of the judicial system	<ul style="list-style-type: none"> Increased public credibility in the performance of the Ministry of Justice (according to a public survey conducted by MoJ and Marketing & public opinion research centre) 	<ul style="list-style-type: none"> Annual Public overview of the Ministry of Justice A public survey conducted by the MoJ and Marketing & public opinion research centre 	
Project purpose	Indicators of Achievements	Sources of Information	Assumptions
To introduce human resources management incl. training - To establish a performance based financial management	<ul style="list-style-type: none"> The budget for 2007 is elaborated using performance budgeting; Long-term HR strategy is completed and available by the end of the project; Turnover of personnel decreased by 15-20%; Job descriptions; <p>A survey conducted at the MoJ by MoJ PR unit concludes:</p> <ul style="list-style-type: none"> Planning of budget; Regular budget flow; Performance appraisal; Understanding of staff about MoJ 	<ul style="list-style-type: none"> Annual report of the Ministry of Justice National budget Personnel files Surveys of staff 	<ul style="list-style-type: none"> Ministry of Justice is the main institution performing drafting of legislation
Results	Indicators of Achievement	Sources of Information	Assumptions

<p><u>Component 1 - Financial Management</u> Revision of the latest strategic plan and assistance on performing the action steps for the restructuring, operation and performance measurement of the MoJ's financial services in line with national priorities and European best practice, including resource allocation and budget policy, financial management and budgeting and reporting systems.</p> <ul style="list-style-type: none"> – Long-term financial strategy, goals and objectives; – Budgeting system in line with the strategic plan; – Effective expenditure and auditing process; – Effective budget planning can be carried out. <p><u>Component 2 - Human Resources</u> Proposed strategic plan for the MoJ's Human Resources services, setting out a mission and future operating guidelines, including recommendations for management development training needs, measurement of personal performance against MoJ, national and European priorities.</p> <ul style="list-style-type: none"> – Long-term HR strategy, goals and objectives; – Management development training programmes completed; – Personal performance measurement; – Preparation of job descriptions and alignment with strategy and priorities; – Reduced staff turnover. 	<p><u>Component 1 – Financial Management</u></p> <ul style="list-style-type: none"> – Proposals for performance budgeting developed by <i>date</i>; – <i>Number</i> participants of the defined training groups trained on resource allocation, budget policy, financial management and reporting systems; – <i>Number</i> of staff members of the MoJ trained on strategic planning. <p><u>Component 2 – Human Resources</u></p> <ul style="list-style-type: none"> – Long-term HR strategy is underway by <i>date</i>; – <i>Number</i> of management development programmes completed; – <i>Number</i> of officials trained on management development; – <i>Number</i> of job descriptions prepared and accepted; – Guidelines for personal performance measurement developed and approved by <i>date</i>. 	<ul style="list-style-type: none"> – Project reports – Project outputs (training evaluations etc.) – MoJ publications and report 	<ul style="list-style-type: none"> – Officials are committed to training; – Qualified trainers are available; – Trained personnel retain their positions; – Management is committed to realization of project results
Activities	Means		Assumptions
<p><u>Component 1 - Financial Management</u> Review of current strategy, processes, systems etc.; gap analysis; propose new financial and budgeting strategy; implementation process steps; and guidelines; after the end of the project study material</p>	<p><u>Component I</u> <u>Technical Assistance:</u></p> <ul style="list-style-type: none"> – Senior expert (18 m/m); – Experts (12 m/m total); 		<ul style="list-style-type: none"> • Co-operation with Ministries of Justice of other MS • Court administration is the coordinator of training of

<p>for all training programmes carried out within this component are to be included in the training curricula of the MoJ staff.</p> <ul style="list-style-type: none"> – Revision of the latest version of the strategic plan and giving proposals on improvements; At the end of this activity the latest version of the strategic plan has to be evaluated and opinion should be given regarding the objectives of the ministry, the indicators of achievement and applied resources (HR and financial), moreover giving proposals and/or alternative methods for enhancing weak points of the plan in line with EU or a certain member states standards. The evaluation report should be elaborated in written form. – Assistance in the introducing of the proposed enhancements to the strategic plan; The expert/s should provide guidelines on application of the proposed enhancements or alternative methods and define training needs on strategic planning for the highest, middle and operative management level according to best practices of the EU or a particular member state (two 2-day seminars). – Propose improvements to the process for allocating budget resources; At this stage the beneficiary would like to receive proposals on innovations for the set of actions regarding the allocation process. The expert should familiarize the beneficiary with operating tools and methods and consult on their application and adequacy in the given conditions. 	<p><u>Component II</u> <u>Twinning Covenant:</u></p> <ul style="list-style-type: none"> – RTE (12 m/m); – STE (16 m/m total); 		judges
---	---	--	--------

- Evaluate the effectiveness of the current financial data collecting and reporting system and propose alternative methods;
Under this activity the expert/s should introduce a control mechanism in line with the accepted method of strategic planning and budget resource allocation (if such a link is to be taken into account)
- Elaborate full training of trainers programme for the given proposals and/or alternative methods regarding the financial management at the Ministry of Justice;
This activity should finalize after the full revision and proposal elaboration for a full budget cycle and should represent the essential follow-up to the whole Component 1. The expert should carry out training of implementing staff (4 two-day seminars).

Component 2 - Human Resources

Review of current HR strategy, processes, systems etc.; gap analysis, propose new HR strategy, implementation process steps; develop a job-competences map and guidelines; after the end of the project study material for all training programmes carried out within this component are to be included in the training curricula of the MoJ staff. To ensure effectiveness and proper production of the project this component would be implemented in direct co-operation with the Personnel department of the Ministry of Justice;

- Review conformity of job obligations to the tenable position;
For ensuring effectiveness in the operation of the

<p>ministry the duties of each position should be corresponding to the purpose of the particular position, so it can directly contribute to pursuing specified objective that undermines that position.</p> <ul style="list-style-type: none"> – Conduct a revision of existing job descriptions and introduce methods of evaluation and elaboration of job descriptions; Under this activity the beneficiary would like maximum input from the experts side in dealing with the current situation regarding job descriptions. After the evaluation report of the current situation the expert should come forward with proposals on necessary improvements and provide guidelines on elaborating job descriptions, – Review the matching wage and incentive system and provide evaluation and enhancements applicable in the current situation; – Introduce methods for monitoring HR development and ensuring a sustainable growth of HR capacity; – Define training needs in the field of management development and performance measurement; – Elaborate a full training programme in the field of management development and performance measurement, define training groups (specifying the training needs for the highest, middle and operative management levels) and carry out training; – Elaborate a training of trainers programme in the field of management development and performance measurement and carry out training for the specified target group of trainers. – Develop management performance measurement system, including guidelines for introduction and 			
--	--	--	--

<ul style="list-style-type: none"> operations; – Specify training needs and target groups and deliver training on the introduced management performance measurement system; – Develop proposals and guidelines for introduction of HR reforms to MoJ subsidiary institutions; 			
			Preconditions <ul style="list-style-type: none"> – MoJ has requested co-financing for the project activities from the state budget; – Co-financing from the state budget for the project activities is earmarked.

ANNEX 2 Detailed implementation chart

	2004												2005												2006												
Institutional Building	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	
Technical Assistance													X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X									
Review the accordance of job obligations to the tenable position;													X	X	X	X	X	X	X																		
Assistance in the introducing of the proposed enhancements to the strategic plan;															X	X	X																				
Propose improvements to the process for allocating budget resources;																	X	X	X	X	X																
Evaluate the effectiveness of the current financial data collecting and reporting system and propose alternative methods;																				X	X	X	X	X													
Training of trainers according to the training programmes																										X	X	X									
Overall Coordination of Project Component I and respective STEs													X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X									
Developing resource allocation and budgetary systems.																		X	X																		
Development of financial reporting systems																				X	X	X															
Assist in training of trainers according to the training programmes																									X	X	X	X									

[illegible]

[illegible]

[illegible]

ANNEX 3 Cumulative contracting and disbursement schedule (EUR)

	2004				2005				2006	
	I	II	III	IV	I	II	III	IV	I	II
Contract I – Technical Assistance*										
Contracted total:					635 000					
Transition Facility:					635 000					
Disbursed total:					381 000		444 500		508 000	635 000
Transition Facility:					381 000		444 500		508 000	635 000
Contract II – Twinning Covenant I*										
Contracted total:					596 000					
Transition Facility:					596 000					
Disbursed total:					476 800	536 400		596 000		
TF:					476 800	536 400		596 000		

* Parallel co-financing