



ATTACHMENT I

PERFORMANCE MONITORING PLAN USAID Associate Cooperative Agreement No. 165-A-00-04-00102-00 Under dot-GOV Leader Cooperative Agreement No. GDG-A-00-01-00009-00

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First year work programme

1. e-Procurement

The IT based public procurement will significantly improve the accountability in the public sector, leading to less corruption.

i-Expected Results

The Municipality of Skopje will use an IT based system for procuring a defined set of goods and/or services. This will result in;

- Savings for Skopje.
- Increased transparency and thus reduced risk for corruption in relation to procurement.
- Business opportunities for new vendors, previously not participating in procurement.

ii-Indicators

- Savings indicator: Comparison between prices for buying through the paper based system with what is paid for the same goods and/or services bought on-line. The cost for administrating the procurement will also be compared. Time effectiveness is also an indicator.
- Increased transparency and reduced risk for corruption indicator: State Audit Office Annual Report;
- New vendors indicator: number of new vendors from the business community participating in the public procurements.
- Gender indicator: to the extent possible, the number of new vendors owned by women men respectively will be collected.
- Minority indicator: To the extent possible, the number of new vendors owned by representatives of minority groups will be collected.

iii-Data Collection

The information needed to compare savings through using on-line procurement will be collected from the Municipality of Skopje and be compiled and analysed by Project Impact. The Municipality will be asked to disaggregate, if possible, its data by gender and by minority group. The figures will be collected and evaluated after each procurement performed on-line.

To determine the reduced level of corruption the relevant data will be collected from the State Audit Office and its Report published on annual basis, which contains data on usage of public funds.

Data will be collected and analysed through year two and serve as input for the scheduled evaluation of the procurement application, which is scheduled to take place in the beginning of year three.

2. e-Tax administration

This task will contribute to IR 1.3.3 Enabling Environment for Investment as the investment community can gain confidence in a more open and efficient tax administration. It will also reduce the administrative burden on the private sector, thus freeing resources for commercial activities.

i-Expected results

The Public Revenue Office (PRO) is committed to reform its systems for tax filing, processing and reimbursement with the intention of achieving:

- Increased efficiency and transparency.
- Reduced administrative burden and economical gains for both tax authorities and reporting companies.
- Decreased risk of mistakes and corruption.
- Increased control of tax income

PRO lacks internal resources to complete the reform and will thus be assisted by Project Impact.

ii-Indicators

- The effect on the number of staff members used by PRO in relation to tax filing can be measured and thus the cost to administer the tax system.
- The necessary working hours for tax filing can be measured also for private entities.
- The results of internal financial control.

iii-Data Collection

Project Impact will collect information on a monthly basis from PRO concerning the changes in staffing and administrative costs. Impact will also make random interviews with around 10 companies to assess the effect for them, both regarding their administrative burdens and also the time they have to wait for VAT refunds. These interviews will occur every six months. Efforts will be made to ensure gender and minority group balance regarding the ownership of companies interviewed.

3. Online Budgeting and Reporting

The increased efficiency in the budgeting process will contribute to IR 1.3.3, Enabling Environment for Investment and also to SO 1.3 Accelerated Development of the Private Sector.

i-Expected results

The IT based budget preparation system will make it possible for the Ministry of Finance to conduct a results-oriented budgeting process subject to centralized controls. This system shall provide the following benefits:

- Transparent and efficient budgeting process.
- Budget book that will include all the necessary rules and objectives.
- Consolidated financial statements.
- Ability to develop an easy mechanism for web-based reporting by the municipal governments, by central budget institutions and by the spending units of the legally established funds.

In addition it is expected that available investments fund will also be better utilised, creating business opportunities for the private sector.

ii-Indicators

- A comparison between how time consuming the present mainly paper based system and the on-line budgeting and reporting system are respectively will indicate the efficiency of the system.

iii-Data Collection

- Impact will closely cooperate with the Budget Department within MoF in order to collect, analyse and report on information regarding budget development resulting from the upgraded Budget preparation process. Impact will also closely cooperate with the IT Department within MoF. Random interviews and questionnaires with all on-line Budgeting users will be conducted in order to define the improved level of communication.

4. e-Identification

A functioning e-Identification system is a prerequisite for virtually all applications that involve the private sector. The introduction of such a system, which so far doesn't exist in Macedonia, will thus contribute to all strategic objectives.

i-Expected results

- An affordable system for digital identification will be in place.
- Increased level of security and privacy in data exchange and communication.

ii-Indicators

- Number of system users and e-identification certificates issued
- Volume of e-commerce transaction
- Number of e-identification certificates for individuals issued to women and to men respectively.
- Proportion of e-identification certificates issued to minority groups against the total population of Macedonia.

iii-Data Collection

Project Impact will collect information on the number of system users and certificates issued per type of certificate from the accredited issuers and Ministry of Finance on a quarterly basis once the system is operational. The MOF will be asked to provide gender disaggregated data and also the number of minority e-identification certificates issued. Impact will also interview on a random basis individuals and private companies regarding their possibilities and the reliance to use necessary digital id systems. These random interviews will include individual women and men, women-owned businesses, and minority-owned businesses.

5. Training of regulator

A new law in electronic communications, permitting and enabling the introduction of an open competitive market is being introduced. Such a market is essential for the realisation of an IT society since that market provides the platform and infrastructure for all IT applications. The law must be properly implemented to create the necessary

result. The regulator will play the key role regarding the implementation and must be trained to understand market considerations and identify the regulatory priorities. The open market will result in reduced cost and increased services for both the public and the private sector and will thus contribute to all Strategic Objectives.

i-Expected results

The Regulator shall be able to prioritise its work and focus on topics that are of prime importance to provide regulatory safeguards to new entrants.

ii-Indicators and iii-Data Collection

The training will be conducted through an initial but limited time period and is expected to give good result. However, Impact doesn't intend to spend further resources on the evaluation since this task doesn't belong to the key issues for Impact.

6. Public awareness campaign targeting the business community/Workshop

All e-Government applications must be user-oriented. Consequently Project Impact must also attract the private sector to assimilate the new working methods and thus benefiting from the positive effects by the IT society. The task will contribute to SO1.3 Accelerated Development of the private sector.

i-Expected results

- Companies will go on-line and conduct internal and external activities electronically, fully utilising the introduced e-Gov applications.

ii-Indicators

- The number of companies utilising e-Gov applications will be compared, both regarding the development in Macedonia as such and also related to the comparative figures in other countries.
- To the extent possible, the number of women-owned and minority-owned firms will be identified out of the total number of companies using e-GOV applications.

iii-Data Collection

Data regarding the number of companies using e-Gov applications will primarily be collected on a quarterly basis from the state institutions that are hosting applications. These institutions will be asked for data on women-owned companies and also on minority-owned companies.

Year 2-5

A. Organisational and legal issues

1. Capacity building

Capacity building, contributing to the creation of competence within the public sector for the e-Gov applications, will contribute to the achievements of all strategic Objectives within the Project Impact.

i-Expected Results

- The public institutions engaged in e-Government applications will be well skilled to utilise and promote the e-Gov applications.

ii-Indicators

- Number of new e-Gov applications created and applied within the public sector. The perception of IT skill within the public sector will also be measured, realising at the same time that such measures are subjective by nature.

iii-Data Collection

- Input will be collected through random research that will include questionnaires, interviews and statistical data, both from civil servants and private users

2. e-Training

The training aims at support the achievement of all Strategic Objectives.

i-Expected Results

It can be assumed that especially staff within the local municipalities is lacking the necessary skill and experience to operate in an ICT environment. Project Impact will assist the Civil Service Agency to develop e-Training modules that can be used to increase the necessary skills. This activity will result in:

- Long-term e-training program developed in close cooperation with other organizations.
- Numerous e-trainings conducted.
- Increased level of IT skills among the civil servants on central and local level.

ii-Indicators

A questionnaire will be developed and used to assess IT skills. This questionnaire will be disaggregated by gender and will also ask for identification of minority group members among civil servants.

iii-Data Collection

Project Impact will cooperate with relevant state institutions (e.g. Civil Servants Agency, ZELS) and international organizations (e.g. World Learning). If necessary, different methods of survey will be designed in order to better collect the required data, which should be collected after conclusion of each individual training activity.

3. Intranet for public institutions

The Intranet is regarded as a necessary tool for the public institutions. The creation thus aims at supporting all strategic objectives.

i. Expected results

- Improved document flow and management system within and between public institutions.
- Unified operational standards from the management and security point of view for the all public institutions.

ii-Indicators

- Number of public institutions connected and using the intranet.
- The functionality of the intranet will be measured through user satisfaction assessment.

iii-Data Collection

A questionnaire will be produced that collects opinions from civil servants regarding their satisfaction with the intranet, such as regarding reliability, user friendliness and functionality as such. Information will be collected every six months. The number of male and female civil servants interviewed will be equal, and representation of minority groups will be proportional.

4. Help Desk within the Government administration

The Help Desk will assist civil servants to use IT and also to reduce the cost for providing necessary assistance. It plays a role in the achievement of all strategic objectives.

i-Expected Results

The *help desk* will in a cost-efficient manner troubleshoot common IT system problems and problems in Software applications developed for specific public institution offices.

ii-Indicators

- Time spent per call.
- Call frequency to Help desk, split between male and female callers.

iii-Data Collection

The Help desk will provide the information.

5. IT Code of Conduct

Proper use among civil servants of IT information and respect of privacy will enhance the trust of the public sector with regard to security and privacy issues. It will also reduce the risk for security attacks. The task plays a role in achieving all strategic objectives.

i-Expected Results

- The produced Code of Conduct should ideally be adopted by the public administration as their internal IT policy document and guide civil servants to an improved behaviour.
- Reduced IT misbehaviours and system failures within public sector.

ii-Indicators

- Number of institutions adopting and applying the produced IT Code of Conduct.

iii-Data Collection

Impact will follow the possible adoption of the Code of Conduct as an internal IT policy for civil servants. A survey will also be conducted, tentatively six months after the distribution of the Code of Conduct to assess the perception among male and female civil servants of its usefulness, and will include proportional representation from minority groups among these civil servants. However, since the Code of Conduct is not regarded as a key task further resources will not be spent on evaluating its effect.

6. Cyber security

Increased cyber security will contribute to a trusted IT infrastructure, which will have a positive effect on IR 1.3.3 Enabling Environment for Investment.

i-Expected results

- The law enforcement authorities will increase its effectiveness to implement the cyber-security legislation.
- The international perception of Macedonia being a trustworthy IT environment should be improved.

ii-Indicators

- The number of successful prosecutions regarding IT related crimes will be counted.
- An attempt will also be made to compare with the situation in other relevant countries.

iii-Data Collection

Statistics will be collected on a half-yearly basis from prosecutors' offices.

7. e-Identification

The e-Identification system previously commenced and assisted will be further developed and its implementation fostered.

i-Expected results (see above)

ii-Indicators (see above)

iii-Data Collection (see above)

8. Computer Emergency Response Team

The CERT will increase cyber security and contribute to a trusted IT infrastructure, which will have a positive effect on IR 1.3.3 Enabling Environment for Investment

i-Expected Results

- Reduce the impact by IT incidents.

ii-Indicators and iii-Data Collection

It should be the responsibility of the CERT to collect and analyse information to assess its effectiveness. Impact will cooperate with CERT to obtain the assessment data and results.

9. Privacy

The protection of privacy is essential in order to enable an Environment for Investment, objective IR 1.3.3.

i-Expected results

Government should provide data privacy protection system to support the electronic environment. It is expected that the IT Commission will address the issue within the context of the national IT policy that is being developed and propose actions to be taken. Project Impact will follow the work and interact, if need be, to ensure a data privacy protection system which supports the electronic environment.

ii-Indicators and iii-Data Collection

Impact will assess if the Government takes the necessary steps to protect privacy. This will however by necessity be a sensitive and also subjective assessment. Indicators can not be identified for the purpose.

B. Applications

I. G2G

1. Public Investment Management System

A Public Investment Management System will create an Enabling Environment for Investments, objective IR 1.3.3.

i-Expected Results

A system for portfolio management with respect to capital investments enriched with mechanisms for decision support, will help the decision makers in selecting investments. This will result in:

- Reduction of the number of failed investments
- Increase of the overall accountability
- Prioritisation of the investments

ii-Indicators

- Comparison between planned and realized public investments on annual basis.
- Level of utilization of funds reserved for public investments.

iii-Data Collection

Analyses of documentation on realized public investments will be done on an annual basis in close cooperation with the Public Investment Department within the Ministry of Finance.

2. Online Personnel Information System / Integrated Payroll System

The Civil Service Agency (CSA) already operates an IT based personal information system, but information between the line Ministries and the Agency is still paper based. Project Impact must first evaluate the present system before deciding in detail which steps should be taken.

A functioning system will reduce corruption related to recruitment of civil servants and thus contribute to IR 1.3.3.

i-Expected Results

- A Personal Information System (PIS) established and linked to the Integral Payroll System for the civil service that makes it possible at any time to access information about human resources within the government.
- The system enables e-recruitment and screening of the potential employees and improves the transparency in the governmental employment practices.
- Functioning system will reduce corruption related to recruitment of civil servants.

ii-Indicators

The number of recruitments, but also the time necessary for the individual recruitments will indicate to what extent the system functions. The system should also result in more qualified staff members thanks to the increased efficiency of the recruitment process. The latter might however be difficult to quantify in an objective manner.

iii-Data Collection

Impact will collect data every six months from CSA but also from personnel departments within the Ministries.

3. Data warehouse

A Data Warehouse will provide relevant authorities with the information necessary to combat various financial crimes and corruption. The task will consequently contribute to the creation of an environment the investment community can have confidence in.

i-Expected Results

- Through the improved exchange of relevant information the relevant Ministries and other authorities will easier identify and reduce cases of corruption, money laundering, non-filing and tax evasion, leading also to higher income for the State.

ii-Indicators

- The indicators are the level of usage and exchange of the data among the stakeholders.
- Statistics showing the decreased number of cases of corruption, money laundering, non-filing and tax evasion.

iii-Data Collection

Data will be collected every six months from the users of the system and also from MoI and Public Prosecution Office. Users will be randomly asked to provide feedback.

II. G2B/C

1. www.gov.mk a central e-Gov portal

The portal will not only provide useful information but also serve as a tool for efficient interaction between the public and private sector. By thus creating a positive and efficient image of the public sector, the portal will increase the confidence of the investment community in the administration.

i-Expected Results

- Providing a coherent picture of the Government and its functions.
- Single entry point will serve as the platform for on-line applications that will consequently be added comprising all the services that e-government offers to the business community and to citizens

ii-Indicators

- Hits on the webpage will be measured since that will indicate the usefulness of the portal
- Level of user (Government institutions, business community and citizens) satisfaction regarding the services as such.

iii-Data Collection

The information needed to identify the level of usage of the web portal will be collected from various state institutions. Information regarding the level of satisfaction will be randomly collected by using the standard forms such as: interviews, questionnaires etc. Data will be collected and analysed throughout the whole project. Data regarding Hits will be collected on a quarterly basis and research regarding the satisfaction level will be conducted yearly.

2. Systems for e-Procurement and e-Filing

During its first year of operation, Impact will implement similar systems with a limited application. The objective of the full-scale implementation corresponds with the ones conducted during the first year and the information regarding monitoring and evaluation is provided there.

3. e-Health

The e-Gov application will result in a significantly increased service level by the public sector to private individuals. Citizens will thus gain confidence in the public sector.

i-Expected Results

Citizens of Macedonia will be able to use an IT based application through smart cards in combination with on-line information about the individuals, for health treatments and medications. This will result in:

- Improved record keeping of patients.
- Improved medicine flow control.
- Time and resource savings for the individuals and authorities.
- Reduction of corrupt behaviour.

ii-Indicators

The number of persons transferring to the on-line system will indicate the usefulness of the new system.

iii-Data Collection

Data will be collected from the Health Fund, Ministry of Health, State Audit Office Annual Report and other relevant institutions and will be compiled and analysed by Impact on quarterly basis. To the extent possible, these data will be reported by gender and minority group representation.

4. On-Line business registration

The on-line registration system for legal entities will contribute both to the confidence in the public sector and, through the reduced administrative burden on the legal entities, accelerate the development of the private sector.

i-Expected Results

Project Impact will work in close cooperation with the USAID Macedonia Corporate Governance and Company Law Project (CG & CL project) to translate the ongoing concept of one stop shop system into an on-line service. This will result in:

- Money and time savings for registering companies.
- Efficient internal system and increased co-operation among the authorities involved in registration procedure.

ii-Indicators

- The average savings of time and money to conduct the registration on-line compared with the present system will be a benchmark for the efficiency.
- The number of entities registered on-line will indicate its usefulness.

iii-Data Collection

The information needed to compare savings through using on-line registration system will be collected from the key players such as: courts, Central Registry, Statistical Office, PRO, private companies, but also from the surveys done by CG & CL project.

The data will be compiled and analysed by Project Impact.

The costs of administrating the on-line registration will be collected and evaluated after several on-line registrations have been carried out.

Data will be collected and analysed through year three, but also it will be used for the later phases of on-line registration activities of Project Impact.