

eGov Project  
PERFORMANCE MONITORING PLAN,  
Rev 3  
March 2011

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## **General Project Information**

The five-year \$4,950,191 *eGov Project* was awarded by USAID/Macedonia on September 14, 2004, with the signing of Associate Cooperative Agreement No. 165-A-00-04-00102-00 to Internews Network under the dot-GOV Leader with Associates Award (GDG-A-00-01-00009-00). On April 10, 2009, the Project was granted an additional \$697,320 to continue programming through January 2011. In December 2010, the Project was approved for a no-cost extension for an additional three months with a new end date of April 30, 2011.

The *eGov Project* is helping to increase efficiency and transparency in the Macedonian public sector by improving its capacity to implement secure e-government solutions to enhance communication within the Government of Macedonia (GOM) and between the GOM and the businesses and citizens it governs. *The eGov Project* addresses the USAID-Macedonia *SO 1.3: Accelerated Development of the Private Sector and IR 1.3.3 Enabling Environment for Investment Improved*.

## **Introduction**

The last revised Performance Monitoring Plan (PMP) was submitted to USAID by the eGov Project on May 22, 2009. The document covered primarily the final stage of monitoring and evaluation of the activities of the Project and included the indicators, the evaluation methodology and the timetable for all evaluation activities planned to take place until the Project close out in January 2011. The evaluation activities planned in this PMP were successfully completed.

In a meantime, the eGov Project was granted by USAID a no-cost extension of three months, with a new end date of April 30, 2011. In light of the new circumstances, the PMP document is hereby revised to reflect the changes that will take place as result of the extended duration of the Project. This revised PMP will from the moment of its submission to USAID represent the only valid PMP for the eGov Project.

Compared to the previous version of the PMP, this revised document includes the following changes:

- For the individual applications, such as for the e-Procurement, e-Tax Services, EXIM and Employment Registration, the eGov Project will make regular collection of the statistical data on the applications' usage. As part of the Work Plan submitted to USAID on November 6, 2009, the Project has revised the specific numeric target levels set in the previous PMP that appear in the respective sections for each of this applications.

## **I Executive Summary**

The main goal of the eGov Project was to assist in the development of e-government thus increasing the efficiency and transparency of the public sector management and opening new channels for doing business in an open and secure manner, making Macedonia more attractive to the investment community. In order to achieve its goal the Project has within its resources, designed, developed and implemented a number of e-government applications. However, the applications developed and implemented by the Project could not meet the entire present and future needs of ICT in Macedonia. The actions by the Project instead resulted in the Government taking the responsibility to maintain the applications on long-term basis and continuing the work of developing, implementing and sustaining new applications.

The main purpose of this final version of the PMP is to revise some of the previously set numeric indicators, i.e. to revise the numeric indicators set in the last PMP submitted on May 22, 2009.

The evaluation of the work of the Project reflected to what extent the Government and its institutions have so far demonstrated a preparedness to maintain existing applications and continue the work of introducing more. The Government has given a very clear signal regarding its determination not only to properly maintain existing applications but also to invest in further development.

The plan is structured in such a way that it provides the data for each individual application presented in the following categories: general description of the application, specific benefits, target users, specific indicators, *revised indicators in the Work plan submitted on November 6, 2009* and the methodology for data collection and preparation of the evaluation report.

## **II eGov Project - Program Activities/Applications**

### **E-Procurement**

The e-Procurement system provides an easy-to-use on-line solution for conducting public procurements in the Republic of Macedonia. The system enables secure trade between Macedonian public institutions and local and international vendors. This contributes to anti-corruption initiatives by increasing transparency in the procurement process and introduces a modern electronic system for public procurement. It also saves taxpayers money through a reduction in prices.

The electronic system prevents effectively most possibilities for corrupt procurement except for cases where the tender parameters are designed deliberately to favour a specific company, which is outside the influence of the electronic system. Other types of corruption are technically impossible, partly due the logging of all technical transactions over the system at any time. The evaluation will describe the risk of corrupt procurement before the system was introduced with similar risks when using the e-procurement system.

#### ***i. Specific Benefits***

- For the contracting authorities it increases transparency and efficiency by providing a clear picture of how public money is spent; significant money savings; time saving regarding the processing and evaluation of the bids; more efficient and standardized work procedures; expanded supplier base.
- For the business community it enables increased competition and new business opportunities to become government suppliers; easier ways to get the necessary information and follow up processes; reduced cost to bid.
- For the Public Procurement Bureau the system provides better monitoring of the public procurement process with automated control and auditing mechanisms.
- For the society as a whole e-Procurement introduces accountability and trust in public spending. Potential for corruption will be significantly reduced.

#### ***ii. Target Users***

- Contracting authorities (state institutions procuring goods or services)
- Public Procurement Bureau (PPB)
- Economic operators (companies offering and selling goods or services)

### ***iii. Indicators***

1. Savings indicator
  - (a) Cost savings achieved by the contracting authorities through lower prices
  - (b) Cost for administrating the procurement process
  - (c) Time savings in the process of publishing and evaluating tenders
2. Number of tenders carried out through the system. The Project expects that as result of its work, by the end of 2009, 10% of the tenders in Macedonia will be carried out electronically. For 2010, this number will have to at least reach the minimum level set in the Law on Public Procurements that equals 30%.
3. User satisfaction of the contracting authorities and economic operators in terms of efficiency and transparency

### ***Revised indicators in the Work plan submitted on November 6, 2009***

100% of all contracting authorities (around 1,000) registered as users of the e-procurement system by the end of 2010 (by the end of March 2011).

100% of all contract notices (around 6.000) and notifications on awarded contracts prepared and published through the e-procurement system in 2010 (by the end of March 2011).

15% of all public procurement procedures carried out electronically by the end of 2010 (by the end of March 2011).

30% of the estimated value of all public procurements awarded via e-auction by the end of 2010 (by the end of March 2011).

### ***iv. Data Collection***

Data on cost and time savings have been collected from the contracting authorities.

The user satisfaction of the economic operators has been evaluated through a questionnaire created by the eGov Project. Collected data has been analyzed by the eGov Project.

The individual evaluation report has been already prepared and submitted to USAID in January 2011. The statistical data for the revised indicators will be provided in regular quarterly report on Project activities (January – March 2011), as well as in the Final Performance Project Report.

## **E-Tax Services**

The e-Tax application provides modern, easy-to-use and secure solution for filing various tax forms to the Public Revenue Office (PRO). The system enables the Macedonian companies to submit tax applications at any time (24/7). At the same time, it reduces the administrative burden on the Public Revenue Office (PRO).

Until April 2009, the system was being used only by around 170 largest tax payers in Macedonia. In April, all small and medium companies were officially invited to use the system.

### ***i. Specific Benefits Foreseen***

- Reduction of the administrative cost both for PRO and the tax payer
- Reduced risk for human errors in filing tax returns

- o Faster and more efficient processing of large volumes of data
- o Transparent and efficient collection of taxes

**ii. Target Users**

- o Public Revenue Office
- o Business community

**iii. Indicators**

1. Time savings by PRO for handling of tax applications.
2. Number of system users. The Project expects that 5% of all legal entities eligible to submit tax applications using the system by the end of 2009. This percentage should rise to 30% by the end of 2010.
3. Quality of filed tax returns (compared to the ones submitted in hard copy).
4. Time required by companies to prepare and file taxes (compared to the time necessary to submit them in hard copy).

**Revised indicators in the Work plan submitted on November 6, 2009**

At least 5% (around 3,500 companies) of all legal entities eligible to submit tax returns using the system by the end of 2010 (by the end of March 2011).

**iv. Data Collection**

Data for the first three indicators has been collected using the application statistics and interviewing the relevant PRO employees.

Data on indicator 4 has been collected from the tax payers using a questionnaire prepared by the Project. The questionnaire was used to interview sample companies selected based on criteria such as size, industry and region. Interviews were carried out by the Project staff. Data has been analyzed by the Project.

The evaluation has been already completed and submitted to USAID in January 2011. The statistical data for indicator 2 will be provided in regular quarterly report on Project activities (January – March 2011), as well as in the Final Performance report of the Project.

**Single Portal for Export/Import Licenses and Quotas - EXIM**

Adding to more sophisticated services for interaction between the Government and businesses, the software application for import/export licenses and quotas will radically ease the process companies have to go through to get licenses or quotas they need to conduct their business. The portal will enable all export and import companies to submit applications for import and export licenses at only one place, regardless of which institution is responsible for the processing and issuing. In addition, the application will enable automatic flow of data on issued licenses into the transit customs declaration, providing a high level of integration within the overall export/import process.

In the course of developing the application, significant result was achieved in streamlining, wherever possible, the processes and procedures for issuing of licenses and eliminating unnecessary data requirements. As result, some of the licenses have been merged and requirements reduced thus providing simpler and more business-friendly licensing process.

The application is part of the Single Window border crossing system supported by the Government and is thus foreseen to become an important facilitator for the business community and trade in Macedonia. It was launched in November 2008.

### ***i. Specific Benefits***

- Relevant information on the licenses required for specific goods
- Easy to use for the business community as well as for institutions
- A powerful electronic tool that is available online 24 hours a day
- Radical reduction in red tape that will reduce burdens on companies
- Trade facilitator for domestic and international companies
- Improved management of the licensing process within the responsible state institutions

### ***ii. Target Users***

- State institutions responsible for issuing export/import licenses
- Companies involved in cross-border trade; freight forwarders

### ***iii. Indicators***

1. Share of import/export licenses issued electronically as percentage of the total number of licenses. By the end of 2009, the Project expects that 30% of the applications for licenses will be submitted, processed and issued through EXIM. For 2010, the usage is expected to reach 50%.
2. Reduced number of licenses and trade data required by institutions.
3. Savings indicator
  - a) Cost savings made by businesses due to the electronic application
  - b) Time savings when applying for a license
4. User satisfaction – how importers/exporters benefited from the fact that e-solution was developed in this area

### ***Revised indicators in the Work plan submitted on November 6, 2009***

100% of import/export licenses processed and issued through EXIM in 2010 (by the end of March 2011).

By the end of 2010 (by the end of March 2011), 70% of all applications for import/export licenses submitted by companies electronically.

### ***iv. Data Collection***

Data on indicators 1 and 2 has been collected by the eGov Project by interviewing civil servants who work on issuing licenses in respective institutions and customs officials.

With regard to indicators 3 and 4, data has been collected through questionnaire-based interviews. The questionnaire has been prepared and the interviews carried out by the Project. Sample companies have been selected based on their trade volume, specific industry and geographic location.

The evaluation has been completed and approved by USAID in December 2010. The statistical data for indicator 1 will be provided in regular quarterly report on Project activities (January – March 2011), as well as in the Final Performance Report of the Project.

## **On-line Registration of Employments**

The eGov Project has developed and launched in December 2008 a simplified system for submission of information regarding new and terminated employments. The system is used by private companies in the process of registering new or terminating existing employments. It also enables the employees to check at any time their registered employment status.

In addition to providing more efficient, cost and time-saving procedure for the companies and employment status information for employees, the system improves the management of data within the Employment Agency and facilitates the process of sharing of data between the Agency and other state institutions, such as the Pension Fund, Health Fund, Central Registry, etc. The system also contains a module for posting on-line advertisements for new employment vacancies. The database created by using this module enables the Employment Agency to better follow the developments on the Macedonian labour market, and the option for searching based on several criteria provides citizens looking for employment with valuable information on available jobs.

The system does not include employments established within the public sector.

### ***i. Specific Benefits***

- Efficient way for companies to meet their legal obligations for registration of employments
- Reduction in number of data required by the respective institutions in the process of employment registration
- Possibility for employees to check their employment status at any time
- Improved cooperation and sharing of data between all institutions using data collected through the employment process

### ***ii. Target Users***

- Employment Agency
- Private companies
- Citizens employed in private companies

### ***iii. Indicators***

1. Reduced number of data submitted by companies in the registration process.
2. Number of companies using the system. By the end of 2009, at least 15% of the total number of employments/terminations submitted by the employers that carried out 20 or more registrations will be submitted through the system. For 2010, this number is expected to reach 30%.
3. Number of employees checking their employment status on-line
4. Reduced time for companies for registration/cancellation per employee

### ***Revised indicators in the Work plan submitted on November 6, 2009***

By the end of 2010 (by the end of March 2011), at least 25% of the total number of employments/terminations submitted by the employers with 20 or more registrations in 2009 submitted through the system.

### ***iii. Data Collection***

Indicator 1 is a one-time indicator that will demonstrate the significant red-tape cutting carried out through the implementation of this Project. Data on indicators 2 and 3 has been collected through

analysis of the statistics generated by the system. With regard to indicators 4 and 5, a sample of companies that are active users of the system has been identified and they were interviewed using a questionnaire prepared by the e-Gov Project.

The evaluation has been already completed and approved by USAID. The statistical data for indicators 2 and 3 will be provided in the final quarterly report on Project activities (January – March 2011), as well as in the Final Performance Report of the Project.

### **III Sustainability of the eGov Project Activities**

The sustainability of the eGov Project activities is of paramount importance and determines its possible success. The eGov Project should make sure that efficiency and transparency of state institutions is increased through the use of ICT. The developed e-government applications are important and sometimes also ground-breaking in that respect. However, long term sustainability is only achieved if the Government and its institutions properly maintain the developed applications and continue to invest in new applications.

A demand from the private sector for ICT based services should also be created through the now introduced applications.

As part of the Final Performance Report, the eGov Project will include evaluation of the present Government commitments regarding maintenance of the existing applications, including investments made by the Government in hardware and human resources needed for their more efficient functioning, as well as its plans for new investments in e-government related hardware and software. In addition, the Project will use all interviews carried out for data collection on individual applications to also collect information on the demand from the private sector for ICT based services.

### **IV Final Remarks**

The plan presented above has an objective to provide a general picture of all remaining activities that the eGov Project envisages in the area of monitoring and evaluation in the period between its submission to USAID and the completion of the Project.