

# Policy development handbook

Developed and financed by the **NORMAK Project**–Norwegian Assistance to the Republic of Macedonia in the field of European Integration and Public Administration Reform

With contribution of SIGMA

Publisher: General Secretariat of the Government of the Republic of Macedonia

The Handbook will be posted on the following web page:

<http://www.vlada.mk/>

Skopje 2007

Copies 200

Design and printing by

Propoint–Skopje

The General Secretariat of the Government of the Republic of Macedonia

# **POLICY DEVELOPMENT HANDBOOK**

**Skopje, April 2007**

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## I. INTRODUCTION

The purpose of the Policy Development Handbook is to help civil servants in ministries and other state administration bodies prepare high quality proposals (materials and acts) based on relevant information and analysis for review and adoption by the Government of the Republic of Macedonia.

Over the past few years, the policy making process in the Republic of Macedonia improved significantly through combined efforts of the Government and the international donor community. Improvements focused on developing the policy process through adoption of new regulations and acts that specify better policy making procedures, and through developing policy capacities in the General Secretariat and in ministries and other state administration bodies.

The legal framework governing the policy planning and policy making system in Macedonia includes the Law on Government<sup>1</sup> and the Rules of Procedure for Work of the Government<sup>2</sup>, which set the framework for the strategic planning and policy analysis and coordination processes. The political priorities established by the government upon its election are linked to the annual process of setting strategic priorities and to the budget, and are then translated into specific policies and actions presented in the Annual Work Programme. The Rules of Procedure also define procedures to ensure that relevant information is submitted in support of all items brought for decision by the government and that inter-ministerial consultations are carried out to ensure that coherent and well coordinated policies are prepared reflecting the interests of the relevant stakeholders. They also establish the legal basis for two important government acts:

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<sup>1</sup> Law on Government of the Republic of Macedonia (Official Gazette of the Republic of Macedonia No. 59/00, 12/03, 55/05, 37/06

<sup>2</sup> The Rules of Procedure for Work of the Government (Consolidated Text), (Official Gazette of the Republic of Macedonia No. 58/06)

- The Methodology on Strategic Planning and Preparation of the Annual Work Programme of the Government<sup>3</sup> describes the process of identifying the strategic priorities of the Government and ensures that adequate resources are allocated to those priorities through the budget process and incorporated in the Annual Work Programme of the Government.
- The Methodology on Policy Analysis and Coordination<sup>4</sup> defines the key principles for policy-making and elaborates the roles of the players in each of the steps of the decision-making process.

The above legal acts provide the necessary framework for a solid decision-making process, including strategic planning and preparation of proposals in ministries, co-ordination, and monitoring of implementation.

The Policy Development Handbook is so designed as to offer practical guidance and advice in the relevant steps of the policy making process in the Republic of Macedonia taking account of the requirements stipulated in the legal acts and the best practices applied in the EU member states and other developed democracies.

The Handbook is divided into six sections which are generally linked to the distinct steps in the policy process. The seven steps are:

- IDENTIFIENG POLICY ISSUES AND ASSESSING THE NEED FOR GOVERNMENT RESPONSE
- DEVELOPING POLICY OPTIONS FOR RESPONDING
- ASSESSING AND COSTING THE OPTIONS
- TESTING AND REFINING THE OPTIONS

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<sup>3</sup> Methodology for Strategic Planning and Preparation of the Annual Work Programme of the Government, decision for adoption made on the 50-th session of 22.09.2003

<sup>4</sup> Methodology for Policy Analysis and Coordination, (Official Gazette of the Republic of Macedonia no. 52/06 )

- CHOOSING THE BEST OPTION AND FINALISING ITS DEVELOPMENT
- PRESENTING THE SELECTED OPTION, CONVINCING AND COMMUNICATING
- HOW TO ENSURE IMPLEMENTATION, MONITOR AND EVALUATE RESULTS

Each section of this Handbook makes reference to the legal basis for the step, describes the output and the formal documents to be developed, and gives a general overview of the methods and techniques applied in each of the six steps.

### **Definition of Policy**

The Methodology for Policy Analysis and Coordination defines policy as “course of action or inaction chosen by the Government to address a given problem or interrelated set of problems, or the way in which the courses of action for achieving the appropriate goals are determined”. The term policy can also be defined as “deliberate action of Government that in some way alters or influences the society or economy outside the government. It includes, but it is not limited to, taxation, regulation, expenditures, information, statements, legal requirements, and legal prohibitions”<sup>5</sup>.

It would be useful to distinguish between the **terms “policy” and “strategy”**. The term “strategy” usually refers to documents with broad objectives that cut across a number of ministries and have at least a medium-term horizon. In this sense, a strategy cannot be, in and of itself, directly implemented. Rather, in order for its goals to be achieved, a strategy requires a number of policies and pieces of legislation to be developed and passed. Thus, an economic development strategy would have a time horizon of, say, five to ten years, and would require that a large number of ministries develop policies and legislation that, taken together, would promote the objectives of the strategy.

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<sup>5</sup> The Role of Ministries in the Policy System: Policy Development, Monitoring and Evaluation, February 2006, a paper prepared for SIGMA by Michal Ben-Gera.



Policies constitute the output of the policy system and they are almost always embodied in legal acts. Theoretically, it is possible to distinguish between **a policy and a legal draft**, and between activities related to policy development and those related to legal drafting. Simply put, the policy is the content, or substance, and the legal draft is the embodiment of this substance in a legal language and format. Policy development is the process of deciding what should be achieved, what should be done to achieve it, how to do it efficiently and economically, who should do it, etc. For example, following a political decision to undertake measures to reduce car accidents, policy development would involve analysis of the causes of accidents, their distribution among different sub-populations and on different roads, the rules and policies already in place, the experience of other governments, etc. A number of options for reducing accidents would then be developed – for example, lower speed limits, better enforcement of existing limits, higher age requirement for first license, and education and information campaigns. It would then be necessary to assess the costs and benefits of each of the options and to present the options, recommendations, and supporting analysis to the government for its decision. All of these steps are part of policy development. Once there is a decision on the option(s) to follow, the legal drafting can begin, putting the selected option or options into language that fits the legal tradition, the constitution, etc.

However, in the real world, the distinction is much more blurred, because legal considerations themselves are often an important aspect of substance. For example, options that require enforcement of speed limits must specify how and by whom this will be done. This specification has legal implications, some of which cannot be known until the draft has actually been prepared and lawyers have taken a good look at the legality of various approaches, such as their implications in terms of fundamental freedoms. Moreover, the legal act introducing a new policy may clash with other legal acts, and so the process of legal drafting may require some reassessment of policy decisions and options.

In practice, therefore, it is very important to use the methods and skills of both policy analysis and legal drafting when preparing items for government decisions. True, it is normally useful, and

reduces waste of effort, to start first with some policy development rather than rushing into drafting before the main objectives and principles of the policy have been clarified. However, it is not really necessary and often not useful at all, to separate these activities completely into strictly sequential steps. Co-operation with legal experts in the early stages of policy development may be a very efficient way to avoid wasting time looking at options that clash with legal considerations.

## **The Policy Process**

Policy is produced by the policy process, which is normally conceptualised as a cycle. The policy process is normally initiated by a political decision (usually in the form of general declaration of policy objectives), followed by detailed policy development that produces options for more specific political decisions on the policy instrument to be enacted (passed). Once enacted, the instrument is implemented and subsequently assessed, which in turn may lead to further policy development (and possibly amendments to the instrument) or even to reconsideration and modification of the initial political decision.

The need for new policies or for changes in the existing policies may come from various sources. Formally, according to the Constitution of the RoM (Article 71), every Parliament Representative, the Government, or at least 10.000 voters have the right to propose adoption of a law. In reality, the need for most of the policies and legislation will stem from the Government Programme and especially the EU integration process. The law approximation process has and will have in future a major impact on the planning of policies and legislation to be put forward to the Government and it depends on the priorities and the timelines set out in the European Partnership and the National Programme for Adoption of the Acquis (NPAA). There will, however, be other issues that are not directly linked with the EU integration process and will have to be resolved by proposing new policies or changes in existing policies or legislation.

Whatever the source, it is important to ensure that appropriate policy process is organised in ministries and other state administration bodies to enable development of policies and

legislation following the principles set out in the Methodology for Policy Analysis and Coordination.



## **GUIDING PRINCIPLES SET IN THE METHODOLOGY FOR POLICY ANALYSIS AND COORDINATION**

- **Alignment of policies and acts with strategic priorities of the government**

The policies and acts of the ministries and other state bodies need to be aligned with the government's strategic priorities. The mechanisms of strategic planning in ministries of the government ensure that the strategic priorities of the government are realised through the strategic plans and initiatives undertaken by ministries.
- **Fiscal viability of policies and acts**

Policies and legal acts need to be prepared in accordance with fiscal limits and within the framework of the three-year budget planning and programming cycle. During the preparation of policy proposals, ministries and other state bodies assess the fiscal implications, taking into account those solutions that will produce the greatest effect vis-à-vis the costs.
- **Alignment of policies and acts with the European Union Acquis**

Ministries and other state bodies need to transpose the regulations, directives and other EU acts so as to harmonise national legislation with the European Union's Acquis and to apply the best practices of EU Member States.
- **Policies and legal acts based on previously undertaken analysis**

When determining policies and acts, ministries and other state bodies derive from a previous analysis of the existing situation in their areas of responsibility, which includes definition of problems and identification of gaps. The

proposed policies and acts have clearly defined objectives and solutions (options) that have been reviewed with an explanation of each solution.

- **Transparency during the preparation of policies and acts**

In the process of determining policies and acts, ministries and other state bodies conduct transparent consultations with the competent and interested ministries and other state bodies, units of self-government (municipalities and the City of Skopje), interested associations of citizens, other interested parties and experts.

- **Planned implementation of policies and acts**

In order to apply policies and acts, ministries and other state bodies prepare plans for their implementation, which include: calculated costs; indicative list of related by-laws for implementation of the laws; identification of required organisational capacities and human resources; and procedures for monitoring and evaluation.

## II. POLICY DEVELOPMENT PROCESS

### 1. HOW TO IDENTIFY POLICY ISSUES AND ASSESS THE NEED FOR GOVERNMENT RESPONSE

#### 1.1. Legal basis

The legal basis for this step in the process is established by:

- The Law on Budgets<sup>6</sup>, Article 14 (1) which sets the strategic priorities of the Government, the Fiscal Strategy, the proposed Strategic Plans of the budget users, and the budget policy as the basis for preparation of the Budget. Article 15 stipulates that the strategic priorities of the Government for the next fiscal year are adopted latest by 15 April in the current year and requires that all budget users prepare their three-year strategic plan
- The Law on Organisation and Operation of the State Administration Bodies<sup>7</sup>, Article 13 defines the responsibilities of the state administration bodies.
- The Rules of Procedure<sup>8</sup>, Articles 23 and 24 which stipulate the adoption of the Decision for the Strategic Priorities of the Government, the Annual Work Programme and the role of the General Secretariat of the Government in the review of the Strategic Plans of the ministries.
- The Methodology for Strategic Planning and Preparing the Annual Work Programme defines the strategic planning process, the timelines, the role of the Ministry of Finance and the General Secretariat as central coordinative bodies, and the role of the ministries in the strategic planning process.
- The Methodology for Policy Analysis and Coordination which defines the key principles guiding the policy development process and it describes the stages in the policy coordination process.

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<sup>6</sup> Law on Budgets, Official Gazette of the Republic of Macedonia, No. 64/05

<sup>7</sup> The Law on Organisation and Operation of the State Administration Bodies, (Official Gazette of the RoM, No. 58/2000, 44/2002)

<sup>8</sup> Rules of Procedure for Work of the Government (Consolidated Text), Official Gazette of the Republic of Macedonia, No. 58/06

- The Strategic Planning Instructions<sup>9</sup> define the elements and the form of the strategic plans
- The Strategic Planning Handbook gives useful guidance and advice on the methods and techniques that could be applied in the strategic planning process.

## 1.2. Key outputs of the step

The key outputs of this step are the Ministry's contribution to the Government strategic priorities and to the Annual Work Programme.

Identifying and setting Government strategic priorities is usually considered as the starting point of the policy process. The Government Programme presented by the Prime Minister designate when the Government is elected in the Parliament is the key document that sets the direction and the policy issues that the ministries and other state administration bodies should pursue through development of policy proposals and initiatives. There are also other strategic documents that establish horizontal policy priorities and should be considered when identifying the policy issues. Such documents include the National Development Plan, the Pre-accession Economic Programme, the National Programme for Adoption of the Acquis (NPAA), the Strategy for Economic Development, and other strategies relating to broad policy areas. Building on these relevant strategies, the General Secretariat of the Government through its Strategic Planning Sector at the beginning of each year drafts the strategic priorities of the Government for the next budget year.

**The Decision of the Government for Setting the Strategic Priorities** adopted by the Government represents the framework within which ministries and other state administration bodies set their response through policies and initiatives that will contribute to the achievement of the Government strategic priorities.

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<sup>9</sup> Instructions on the Mode of Preparation, the Contents and the Form of the Strategic Plans of Ministries and other State Administration Bodies, adopted by the Government on 11. May 2005

Ministries other state administration bodies should identify policy priorities that apply to their filed of responsibility and prepare proposals for specific policies, programmes and legal acts that should be funded by the budget and implemented. Such proposals should be presented in their **Strategic Plans** that represent three-year plans which set the key priorities, policies and programmes, as well as the resources needed, in order for the ministry or the state administration body to contribute to achievement of the strategic priorities of the Government. The General Secretariat of the Government is responsible for coordination of the strategic planning process and ensuring consistency among the Strategic Plans of ministries.

Based on their Strategic Plan, ministries prepare proposals and initiatives which should be included in the **Annual Work Programme of the Government**. The Annual Work Programme includes the policies, legislation and other acts of the government that will be prepared and submitted to the Government for review and adoption in the following year. The Annual Work Programme actually represents operationalisation of the Government Programme presented to the Parliament when the Government is elected. The General Secretariat is responsible for drafting and submitting the Annual Work Programme to the Government for review and adoption. Once adopted, the General Secretariat is responsible for monitoring of the Annual Work Programme and for reporting on progress in implementation

### **1.3. How to do it**

#### *Analysis of the situation*

When considering policies and legislation to be included in their Strategic Plans and the Annual Work Programme, ministries and other state administration bodies should start from:

- The Government strategic priorities and related government strategies

- The international agreements and commitments (the Stabilisation and Association Agreement, the European Partnership Decision of the EC and the EC Annual Reports, and other relevant documents and ratified international agreements creating long term commitments for the Republic of Macedonia)
- Problems arising from existing policies (including enforcement and implementation problems)
- Public interests and pressures in their area of competence

The process of identifying policy issues should start with an analysis of the existing situation in the relevant policy area in order to establish the status quo. It is necessary to concentrate not only on what the legal situation is, but also on what is happening in practice.

The quality of the situational analysis will depend on the quality of information collected during the process. Information can derive from variety of sources: experts in the ministry and in other ministries or state administration bodies operating in the relevant area; existing local and international research; statistical data; new research, if appropriate. It is also important to gather information on the effectiveness of the policy or legislation from:

- civil servants and staff working directly on implementation or service provision, or the inspectorates responsible for monitoring the compliance of the law;
- citizens or groups to whom the policy is directed;
- professional organizations or non-government organizations that work in the relevant field.

Very often these groups will have a clearer idea than the policy makers about what the problems are, why the situation is as it is and why previous initiatives did or did not work. They are also well placed to advise on how a new policy can be put into practice on the ground and what pitfalls need to be avoided. Gathering that evidence through consultations, interviews, surveys or focus groups can provide a very valuable input to the policy making process and can often be done much more quickly than more conventional research. It may well help to



avoid expensive mistakes later. The inclusion of such evidence increases the transparency of policy-making.

The gaps and the seriousness of the identified problems will determine the possible options for solving the problem and whether there is a need for new policies or legislation or the problem can be solved by changes or more efficient implementation of the existing legislation. Defining the problem clearly will in itself help to identify possible solutions.

After the situational analysis, it will be possible to define the objectives and targets more precisely. Defining the objectives means defining the particular outcomes that the new policy and legislation should bring about, measured as precisely as possible. Objectives should also be expressed in a way that will facilitate consideration and analysis of the alternative ways of achieving them. They should not be expressed as specific solutions. For example, if smoking is perceived as a health risk, the objective should not be “to increase taxes on cigarettes” or “to enforce age limits on sale”. Instead it would be better to set an objective such as “to reduce cigarette consumption by 15%.” This will allow a wide consideration of approaches to meeting the objective, such as taxes, age limits, education campaigns, and restriction of smoking in public places.

### *The impact of the EU integration process*

The EU integration process and the commitments undertaken with the Stabilisation and Association Agreement will significantly influence the future medium- to long-term agenda of the Government. This of course does not mean that the ministries should not go through the process of analysing and assessing the possible impacts of the EU legislation that has to be incorporated into the Macedonian legal system and eventually implemented. On the contrary, there are different ways of bringing the legal framework into line with the EU requirements. The reason for this lies in the nature of EU legislation, which takes the following main forms:

- *Regulations* are directly applicable law and must be adopted in their entirety by the Member States; they are used for rather precise purposes where complete uniformity is considered necessary to achieve the purpose of the legislation;
- *Directives* are much more flexible. They are binding as to the results to be achieved, but leaves to the Member States the choice of the form and methods. It is therefore the most appropriate instrument for more general purposes particularly where some flexibility is required to accommodate the existing national procedures and, for this reason, is the instrument most commonly used for environmental matters.

EU policy and legislation cannot be regarded as some abstract concept existing on its own and separate from national policies. EU policy only comes to life when it is implemented and has thereby become inseparably intertwined with national policies and practices. Therefore, although EU Directives allow considerable flexibility in the way they are incorporated and implemented, their implementation will inevitably have different impacts on the economy and society. The responsibility of the ministry working on the harmonization of the legislation is to determine the most advantageous way of implementing Directives. On the other hand, even where the implementation of a requirement leaves the candidate country little discretion, as is the case with Regulations, the policy analysis and assessment is still important because it is a guide to the Government on the impact that implementing the Regulation will have on other elements of a policy. Therefore, it is important to completely integrate the processes of policy development and of approximation of the Macedonian legislation with the legislation of the EU. The policy development methods and techniques can be instrumental in assessing and prioritising the timing of implementation of different Regulations, in planning the budget, in designing the institutions for implementation and in explaining the regulation to those affected and securing their cooperation.

It is therefore important to fully align the proposals and initiatives presented in the Strategic Plans and the Annual

Work Programme with the National Programme for Adoption of the Acquis (NPAA). In fact, the ministry Strategic Plan should represent a detailed plan on how to implement and fund the commitments listed in the NPAA.

### *Assessment of resources and capacities needed for implementation*

At this early stage, it is useful for Ministries to have a general idea on the institutional capacity to implement the policy. This includes availability of skilled human resources, institutions, equipment and most of all funds to implement the activities and services planned in order to achieve the desired outcomes.

It will be also useful to assess the consistency of the existing policies of the ministry with the government priorities. Ministries should be aware that the budget is limited and that they cannot expect significant changes in the available budgetary funds in future. Therefore, when proposing a new policy ministries should review their existing programmes and identify those that do not contribute directly to the Government priorities and thus may contribute to achieving possible savings.

## **1.4. Checklist**

The following questions could be helpful to ministry staff in checking whether the key issues have been considered.

- Does the situational analysis address the key issues that cause the problem?
- Is collected evidence relevant, that is, clearly supports the findings?
- Does the analysis clearly identify implications of the existing policy or legislation and the practice?
- Are the research methods used appropriate to the key questions being asked?
- Does the analysis consider the issues from a range of perspectives, that is, whether all relevant stakeholders have been involved?
- Are the objectives clearly defined?

Before presenting their Strategic plan or proposals and initiatives for the Annual Work Programme, ministries should also check:

- Have government priorities been reflected in the ministry's strategic plan, especially priorities related to harmonisation with European legislation and the NPAA;
- Have all aspects of the planned policies and programmes been assessed including implementation and institutional capacity;
- Have all departments within the ministry been involved in determining the ministry's priorities for policy and legislative initiatives;
- Are substantial policy projects well planned so that they are prepared and presented to the Government within the deadlines set in the Annual Work Programme;
- Is the overall submission of the ministry realistic and balanced; and
- Has the ministry the capacity to adequately fulfil the plan.

## **2. HOW TO DEVELOP POLICY OPTIONS FOR RESPONDING**

### **2.1. Legal basis**

The legal basis for this stage in the process is established by:

- The Rules of Procedure, Article 65 (1) requires that all analytical papers and materials submitted for review and decision to the Government are supported by recommendations and conclusions as well as by explanation on the options reviewed and the objectives that will be achieved by implementation of the government decision. Article 74 (2) defines the content of the Memorandum that accompanies all materials submitted to the Government which includes a section on the options reviewed (pro and con arguments).

- The Methodology for Policy Analysis and Coordination which sets the principles guiding the policy making process (see above). The key principle relevant for this step is that proposed policies and acts should be founded on previous analysis of the situation and the identified gaps. Policies need to have clearly defined objectives and solutions (options) with a justification of each of the solutions.

## 2.2. Key outputs of the step

Preparation of policy proposals is the main responsibility of the ministries within the policy making system. It is the responsibility of the expert staff in the ministry to ensure that the minister and the Government receive the best information as they make decisions that affect the society and the economy. In fact, all of the techniques of policy analysis and policy development are aimed at producing high-quality, reliable information for decision-makers.

The output of this step should be an **Analytical document** where the team working on the policy development should present the key findings of the situational analysis, the definition of the problem, the gaps identified, the objectives of the policy and the alternative solutions for the problems identified.

The Analytical document represents the background document for development of the **Explanatory Note**. Also, this step will provide information for completing Section 2 – Possible Options Reviewed in the **Memorandum**, that accompanies the proposals submitted to the Government<sup>10</sup>.

For large or complex policy development exercises it is useful to structure the process as a project and present the steps in the policy development process in a **Project plan**. Wherever policy cuts across the responsibilities of more than one department within the ministry, it is customary to create a working group within the ministry to develop the policy and

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<sup>10</sup> See Annex 3 – Guidelines on Preparing the Memorandum which provides useful information and examples on how to complete the Memorandum.

perform the necessary analysis. Also, wherever policy cuts across the responsibilities of more than one ministry, it is useful to create an inter-ministerial working group under the lead ministry to ensure that all of the issues are considered in the preparation and analysis phase. Sometimes, when there is lack of expertise in the administration, it would be useful to involve local or foreign experts in the relevant field.

The Project plan should include the activities and their sequence (research needed, what consultations are required), the team (intra- or inter-ministerial working group, local and/or external experts) and the skills needed, the managerial structure of the team, timetable for the steps, the papers that should be produced and the decisions that should be made in the preparation process.

Useful information on organizing the policy development tasks through working groups and involving domestic or foreign experts is provided in Annex 1.

### **2.3. How to do it**

The main tool for developing policy options is a situational analysis. With a good situational analysis and a definition of the objectives of the policy, it will be possible to define different options for solving the identified problems.

When identifying possible options to tackle the problem it is advisable to be as open-minded as possible and review a wide range of policy options and instruments to find the best way to achieve the objective. This includes considering a combination of some of the instruments in a package, for example reform of the education system may be pursued through teachers' training, changes in the curriculum, restructuring of schools and school governance or a combination of some of these options. Complex issues may require action over a range of policy areas. In such cases it is important to identify existing policies which are implemented in other areas and identify the future relationships and interdependencies among such policies or legislation and assessed as a whole.



## POLICY INSTRUMENTS DEFINED IN THE METHODOLOGY FOR POLICY ANALYSIS AND COORDINATION

The policy instruments are defined as mechanisms to achieve the objectives. The policy instruments include:

- **regulatory instruments** (laws and other regulation);
- **materials** (analyses, reports, briefs and information) providing an overview of the policy aimed at implementing the regulatory instruments;
- **financial instruments** (subsidies, taxes, tax exemptions and deductions, contributions and fees, budget expenditure, etc.);
- **informational instruments** - publication of information materials – brochures, advertisements, advocacy and other types of materials and use of media and Internet).

The “zero option” should always be considered and explored seriously. This option actually gives the answer to the question “What if there is no intervention of the government?” The likely consequences of “no intervention” option could lead to the conclusion that either the intervention would not solve the problem, or that proper enforcement of the already existing policy instruments could solve the problem. This option is also useful because it can be used as “baseline” against which other options are evaluated.

Experiences of other countries, especially countries in the region, should also be reviewed as source for possible options. It is important, however, not to “copy” foreign solutions since options or possible interventions work only in a set of circumstances that are specific for the relevant country.

When considering different options it would also be useful to identify future trends of the main elements affecting the policy instrument, such as demographic trends, economic,

technological and other relevant trends. For example, if the reform of the education system is seen as a vehicle of economic growth, the possible trends to be examined would be the demographic trends (assumption for growth of young population, trends in skills), trends in economic development (assumptions of which industries will grow faster and be relevant for future economic growth), technological trends (assumptions of development of technology in different industries to predict the future needs for skilled labor), etc. The associated risks and uncertainties relating to the assumptions should be also reviewed.

It is important that at this stage wide consultations take place. Consultations should be carried out with all other concerned ministries and state administration bodies and, if appropriate, with local government administration, relevant NGO's other interested parties and independent experts. The purpose of such consultations is twofold:

- To identify additional options that could be considered as possible solutions
- To gather as much information as possible in the area and “test” the assumptions and possible risks associated with the options.

## **2.4. Checklist**

The following questions could be helpful to ministry staff in checking whether relevant options have been identified:

- Have you studied the situation in sufficient depth to understand the present conditions and problems?
- Have you identified and assessed all consequences of the “no intervention” option?
- Have you identified all possible options?
- How well do these options tackle the problem that the policy is intended to solve?
- Have you identified possible policy instruments or a combination of policy instruments?



- Have you identified the citizens or groups that will most benefit or bare the costs from each of the options/policy instruments?
- Have you identified possible risks associated with each of the options?
- Have you consulted with relevant stakeholders on the possible options?

### 3. HOW TO ASSESS AND COST THE OPTIONS

#### 3.1. Legal basis

- Rules of Procedure for Work of the Government, Article 7 (6) which stipulates that ministers are responsible for making fiscal impact assessment for all proposals that are prepared and submitted for review to the Government. Article 74 (2) defines the contents of the Memorandum that has to be submitted with all materials and acts, including the sections on the fiscal impact of the proposed materials and the anticipated impacts;
- The Methodology for Policy Analysis and Coordination - the key principle relevant for this step is that proposed policies and legal acts need to be prepared in accordance with fiscal constraints and within the framework of the three-year budget planning and programming cycle. During the preparation of policy proposals, ministries and other state bodies assess the fiscal implications, taking into account those solutions that will produce the greatest effect vis-à-vis the costs.

#### 3.2. Key outputs of the step

In order to allow ministers and the Government to choose the best option(s) it is necessary to assess the potential costs and impacts of the options. Each of the identified options has costs, and each can be expected to have different impact on reaching the policy objectives. It is important to assess each alternative as to the costs, expected benefits and ease of implementation. This process is often referred to as **impact assessment**. The time and resources to be put into impact assessment should

depend on the importance of the policy instrument. The more important the policy instrument is and the more impact it can be expected to have, the more sophisticated the impact assessment should become.

The results of the impact assessment have to be systematically documented and evaluated. The results should be presented in an **Analytical document** specifying the options, their costs and benefits, the criteria used for assessment of each of the options, the findings and the recommendations.

The key information of the impact assessment should be presented in Section 6 – Fiscal Implications and in Section 7 – Expected Impacts in the **Memorandum**.

### **3.3. How to do it**

When assessing the policy options and policy instruments, impact assessment is used to analyse and optimize the efficiency and effectiveness of the instrument in order to ensure that it will achieve the intended objectives at minimum costs and with the minimum number of unintended negative consequences. The assessment should consider the following aspects:

- Budgetary, social, economic and environmental costs and benefits
- Possible problems with enforcement, acceptance and compliance
- Distribution of the costs and benefits within the population and subgroups
- Unwanted side effects and risks

There are a number of factors that need to be considered from the beginning. For instance, there is a need to define the target group of the service or regulation to get an idea of the scale of the likely effects; the level of public support or resistance in the case of a new regulation; whether the problem it seeks to resolve would be best addressed by information, legislation or direct provision each of which have different costs; and the

degree to which a new service or regulation would place an increased workload on the administration.

When considering different costs and benefits as well as possible impacts, it is useful to review the following aspects:

**Internal versus external costs** – costs may be incurred by the government or/and may fall on the businesses and citizens. Direct costs for the Government occur whenever the policy instrument includes introduction of new services and establishment of new institutions, the expansion of an existing service or strengthened inspection and enforcement tasks which may require additional staff resources. Additionally, this may incur significant start-up costs such as investment in buildings and infrastructure, investment in plant and machinery, legal and consultancy fees, training, etc. This is especially true for EU integration process and building of new institutions required for the accession process. If it is claimed that the policy can be implemented within the responsible public administration body's existing resource allocation, the basis for this assumption should be clarified: for instance, by demonstrating that excess capacity will be available owing to some other programme being discontinued or scaled down.

The level of budgetary costs also depends on the acceptability and enforceability of the proposal. Different policies affect different sectors of the public or business and some will require more enforcement than others. For example, a policy to extend social security benefits will be complied with automatically (although a possible increase in fraud may require more monitoring) whereas a regulation which requires industrial companies to comply with particular environmental standards will require a degree of monitoring and enforcement which will mean increased costs for inspection staff. In such cases it is useful to know how big are the target groups affected by the proposal and what will the government need in order to enforce or monitor compliance. It is also useful to see which government organisations will be affected by the proposed policy and what is their opinion on the feasibility of the implementation. The ministry with primary responsibility for the proposal, therefore, must consider all costs that impact on the

budget - not just its own costs but also the costs of agencies within its area of responsibility.

In considering the likely effects on the businesses and their costs it should be considered how many and which categories of businesses will be affected, as well as the nature and scale of the effects for the businesses concerned. It would be also useful to assess the impacts of the competitive position of the businesses compared to the foreign competitors.

On the other hand, there are administrative procedures that many enterprises would ignore in the absence of a legal requirement or some other form of external pressure. These add no value to an individual enterprise but may add significant benefits to society as a whole or even to enterprises taken as a group. Examples of this might be an equal treatment policy, strict safety procedures, minimum age requirements for employees and tax compliance requirements.

**Intended and unintended costs and benefits** - almost all policy instruments will have unintended costs and benefits, and in some cases these might be very large, positive or negative. For example, raising the cost of tobacco through taxes can lead to smuggling of cheap cigarettes, at the end causing less in tax revenues, little reduction in smoking, and possibly increased costs of border controls. This type of unintended effects should be thought about carefully in advance. Perhaps there is an optimal increase in tobacco costs, where it is still not economically viable to smuggle, but would still lead to some reduction of smoking, which is the objective of the policy. If so, it should be estimated as well as possible.

Environmental issues must also be assessed. For example, a policy to invite a large multi-national manufacturing company in order to boost the economy and open possibilities for employments may at the same time have negative effects on the environment. Some of the following questions could be reviewed when thinking about environmental issues: What are the consequences of the proposed policy with regard to pollution (including water, air or soil pollution)? What are the consequences for public health? What are the consequences

of the proposed policy for available land space? What are the consequences of the proposed policy for energy consumption?

**Long-term versus short-term impacts** - some costs and benefits might be immediate, other long term. For example, reduction in tax revenue from cigarette sales might happen quite quickly, but the health benefits would take much longer to occur, and any savings for the health budget are really in the future.

**Concentrated versus distributed impacts** – Proposals that would be beneficial for society as a whole may fail to be implemented if too little account is taken of how the positive and negative effects are spread across society. Two policy instruments might produce similar benefits, but in one case the benefits will go to a small group of people, and in the other to a wider group. Either approach might be justified, but it is useful to have this information as part of the consideration. It is important also to consider whether there is a large discrepancy between the segment of the population that pays the price, and the segment that gets the benefits.

Impact assessment is often equated with cost-benefit and cost-effectiveness analyses. Certainly, these analyses form an important, if not the most important component of impact assessments. Even if a full cost benefit analysis cannot be carried out, due to lack of data or capacity, it remains necessary to try to estimate all costs (budgetary, economic, social, and environmental) which may arise and to identify and list all the benefits that can be expected. For smaller policy instruments a rather reliable estimation of costs and benefits can be achieved through inter-ministerial meetings and consultations with outside experts and groups.

### **3.4. Checklist**

When assessing the impacts of the policy options, ministry staff should check:

- Have all costs to the ministry/state administration body needed for implementation been costed?

- Are there other ministries/state administration bodies involved in the implementation and what are their costs?
- Will the policy require strengthened inspection and enforcement?
- What is the scope of the target group(s) affected by the proposal?
- What are the effects on the economy (negative or/and positive)?
- What are the effects on the environment (negative or/and positive)?
- What are the effects for the society in general (negative or/and positive)?
- What are the short-term versus the long-term effects?
- Are there any additional negative or positive effects?

#### **4. HOW TO TEST AND REFINE THE OPTIONS**

##### **4.1. Legal basis**

- The Law on Organisation and Operation of the State Administration Bodies, Article 10 which requires state administration bodies to consult citizens thorough publishing the draft legislation, hearings, consultations with interested associations and other entities.
- Rules of Procedure, Article 68 which requires that all materials and acts that are submitted to the Government for review and adoption, should be previously sent to all relevant and interested state administration bodies for consultations and opinion. Article 74 (2) defines the content of the Memorandum that accompanies all materials submitted to the Government which includes a section where ministries should report on the results from the consultations with the line ministries and other state administration bodies and organisations.
- The Methodology for Policy Analysis and Coordination – the key principle relevant for this step of the policy process is that policies and legislation should be developed by transparent and consultative procedures. Throughout the development of policies and acts ministries and state

administration bodies should consult with all concerned ministries and other state administration bodies as well as with the units of local self-government (municipalities and the City of Skopje), other interested parties, and experts.

## 4.2. Key outputs of the step

In many areas of policy and legislation, a number of ministries may have valid concerns, as many policy areas cut across the competencies of several ministries. This is true in the case of line ministries because many social policies are interrelated (e.g. education and health policies are related to the labour force) and because policies in many areas have consequences for the economy (e.g. environment, transport and agriculture). Also, almost all policies have budget implications so the Rules of Procedure require that all proposals, materials and acts are submitted for opinion of the Ministry of Finance. The purpose of inter-ministerial consultations is to ensure that the interests of other ministries are raised and discussed at the expert level so that as many conflicts as possible are resolved before items reach the session of the government (or its commissions), which should focus on political issues.

Ministries and other state administration bodies should have an internal process of sending the draft policy or legislation to the Ministry of Finance, the Secretariat for Legislation and to other relevant ministries and for collecting the comments, analysing them, and deciding which of the comments to accept and incorporate into the document. In some cases, ministries should call meetings to discuss the comments, especially where there are substantial differences. The ministry should prepare a **Report** on the consultative process including a list of comments that were rejected and justification for the rejection. This should be summarised and presented in Section 3 – Results of the Consultations with Line Ministries, other State Administration Bodies and Organisations in the **Memorandum**.

In cases when the ministry or state administration body is asked to give an opinion to a specific policy or material prepared by other ministry, it should have a process for distributing the item to the relevant sectors in the ministry,

gathering and collating the comments, agreeing on the comments through an intra-ministerial process. The output of this process is preparing a **letter** for the minister, who forwards the comments to his counterpart in the responsible ministry.

In accordance with the Methodology for Policy Analysis and Coordination, the General Secretariat, through its Sector for Policy Analysis and Coordination participates in the early stages of policy drafting process, especially in cases of systemic or important policies or regulations, by participation in working group meetings and by other means of cooperation with the ministries and other state administration bodies. During the concept formulation process, the General Secretariat is responsible for providing quality information, relevant for the drafting of policies, as well as for the harmonisation of positions between ministries and other state administration bodies, which participate in the process of coordination and proposing specific opinions and solutions. Also, in case of possible conflicts, the General Secretariat encourages discussions among ministries in order to resolve conflicting issues and find the appropriate solution on the expert level.

### **4.3. How to do it**

However well informed, the civil servants preparing a government decision will never be in a position to have a complete overview of all possible consequences of a new policy instrument, in particular if it is of a complex nature. In addition, the civil servants preparing the instrument are usually working in the relevant line ministry and may therefore not be in a position to thoroughly assess problems that may surface when implementing the new instrument. Therefore, in order to collect as much information as possible on the possible impacts of policy options or draft policy instruments it is necessary to consult relevant stakeholders.

Consultations should not happen just before the proposal, material or act is sent to the government for review and adoption but should be built in all stages of the policy development process:



- In the step of the situational analysis in order to define the problem and to establish a need for government intervention, consultations are a useful method of collecting information on the existing problems or the experiences with the implementation of an existing policy or law and related problems.
- In the step of the development and the comparative assessment of possible policy options, consultations should take place after the responsible ministry or state administration body has developed and sketched out possible policy options. These options, their feasibility and their probable impacts are then the subject of the consultations.
- In the step of assessing possible impact of a draft instrument, consultation should be an ongoing process. Every part or chapter of the law/instrument should be discussed with all the other state administration bodies that may have an interest in the regulated area. Also, if specific questions concerning the impact of a given set of regulations arise it would be good to make use of outside expertise during the drafting process through involving and consulting NGO's and expert groups.

Consultations are usually first done within the administration across all levels of government and only after the results of these consultations have been taken into account, consultations are done with NGO's, expert associations or the public at large.

Consultations with parties outside the administration should address specific questions. It should be ensured and carefully observed that the consultations include all groups that may have an interest in the new policy programme and that the results of the consultation are documented. The latest point in time for consulting NGO's, interested groups and experts must be before the chosen policy option or draft goes to the minister of the responsible ministry for approval to submit it to the Government. However, in order to avoid possible substantive

rewriting of the instrument due to oversights and wrong assumptions, it would be better to call for earlier consultation.

All consultations have to be well documented regarding those who were consulted, the issues on which consultation was carried out and the results of the consultation. Those consulted must receive written information on the description of the policy options or the draft law or the project document and, in addition, a definition of the main issues of the consultation and specific questions regarding these issues. These issues and questions should be grouped and targeted to the different groups/persons to be consulted. For example, there may be questions concerning implementation and enforcement targeted to the state administration bodies responsible for direct implementation or enforcement (police, customs, inspections, social services, etc.); questions on feasibility and costs to insurance companies or public enterprises and questions on compliance burdens to NGO's, etc.

The deadline for submitting the comments should be long enough to ensure that those being addressed have a chance to gather additional information. NGO's may have to consult with their members, the state administration bodies directly implementing the policy or the municipal administration should be able to discuss the matter with the staff concerned.

Useful information on how to identify and involve stakeholders throughout the policy development process is provided in Annex 2.

#### **4.4. Checklist**

In order to ensure that consultations have been useful in the process of assessing the options or choosing the policy instrument, it would be useful to check:

- Have all relevant ministries and state administration bodies been identified including those who will directly implement the policy?
- Have they been involved from the early stages of policy development?

- Is there a process in the ministry to ensure that opinions of other ministries and state administration bodies are duly reviewed and incorporated? In case of rejection, has the rejection been justified?
- Have all relevant interested groups been identified?
- When will the interested parties be involved and in what way?
- Have consultations been well planned?
- Has enough time been planned in the policy process for consultations?

## **5. HOW TO CHOOSE THE BEST OPTION AND FINALISE ITS DEVELOPMENT**

### **5.1. Legal basis**

- Rule of Procedure, Article 64 (3) require the sponsoring state administration body to submit secondary legislation together with the proposed law and that the proposed law will not be reviewed unless it is accompanied by the secondary legislation. Article 74 (2) defines the content of the Memorandum that accompanies all materials submitted to the Government which includes a section where ministries present the solution that is recommended (accompanied by justification).
- The Methodology for Policy Analysis and Coordination – the key principle relevant for this step of the policy process is that in order to implement their policies and acts, the ministries and other state administration bodies produce costed implementation plans, together with secondary legislation required for implementation of the laws, required institutional capacity and human resources, as well as monitoring and evaluation procedures.

### **5.2. Key outputs of the step**

After the analysis of the options and their impacts, and after the consultations, the options have to be compared with regard to substance, internal logic and completeness. The ministry

then has to finalise the policy proposal and recommend policy instruments that will best fit the policy objectives.

The ministry will have to prepare the **draft legal text** of the policy instrument(s) (primary and/or secondary legislation) and implementation plans including fiscal impact assessment of the policy instrument.

The recommended option and the relevant justification have to be presented in Section 5 – Recommended Solution in the **Memorandum**.

### **5.3. How to do it**

The ministry will have to select the assessment criteria against which it will analyse the policy options and recommend the option and policy instrument in order to achieve the desired outcomes. Some assessment criteria could include:

- Consistency with government priorities
- How the option addresses the problem and the intended outcome
- The economic costs/benefits
- The environmental costs/benefits
- Impact on the budget
- Complexity of implementation

The assessment criteria should be presented in the proposal and in the Memorandum so that the Government can have a clear picture of the grounds on which the recommendation was made.

When reviewing the policy instruments it is important to consider the following aspects:

**How well the draft policy instrument meets the objective** – in order to assess whether the draft policy instrument meets the set objective in the best possible way the ministry staff should review if there would be counterproductive side effects of the

draft instrument (law, regulation); how possible/easy would be to avoid compliance or misuse of the law; are short-term costs justified by the long-term benefits and is the distribution of benefits and costs justifiable and in line with the given objective. Additionally, the ministry should review if there is significant discrepancy between the segment of the population that pays the price, and the segment that gets the benefits.

**Can the draft instrument be effectively applied** in the existing administrative structure - for this analysis, it is necessary to explore *inter alia* whether the instrument is sufficiently flexible to accommodate all possible cases but still offers enough guidance so that discretionary provisions cannot lead to arbitrary decisions; are administrative requirements limited to the degree necessary and is it probable that the cost for administering the instrument outweighs the benefit (e.g. fees for administrative services); could the instrument lead to opportunities for corrupt practices in the administration (for instance, illegal payments to civil servants to obtain licences); are the competencies for executing the instrument including the requirement of co-ordination clearly defined; is the transition from the old regulation to the new instrument clearly laid out and feasible?

**Clarity of the draft instrument** – in order to ensure better implementation, the draft instrument should be as clear as possible and understandable, so that the private sector and citizens can comply in the appropriate way. It is necessary to explore if the language of the regulation is clear and understandable for those who have to comply; are there any contradictions; are definitions unambiguous; are the requirements for those who have to comply clearly stated.

**Are there any conflicting interdependencies with existing legislation** – the purpose of this analysis is to examine possible unwanted side effects (for example untargeted addressees benefiting from or suffering from the new instrument). It should be explored whether there is existing legislation which covers the same or complementary target groups; whether there is an overlap with existing legislation which may hinder the implementation of the new instrument;

whether the provisions in existing legislation will hinder or be in opposition to the intended objectives of the new instrument?

After this thorough analysis, the ministry should draft **Implementation Plans** including a specification of the new legislation or changes in the existing one that will be needed to effectuate the policy instrument and the secondary legislation; the body or bodies directly responsible for implementation; human resources needed for implementation and their capacities; needs for training in order to ensure efficient implementation; and estimation of funds needed for implementation.

#### **5.4. Checklist**

There are number of questions that can help ministries in checking whether all relevant aspects of the proposed policy instruments have been reviewed:

- Have assessment criteria been selected against which the ministry will make the assessment and propose the recommended option? Have they been clearly presented in the proposal?
- Have issues regarding the effective implementation of the draft proposal been reviewed?
- Is the draft instrument (legislation) clear and unambiguous?
- Are there conflicts or interdependencies with existing legislation?
- Have important issues related to the implementation been reviewed?
- Has the implementation plan been prepared indicating costs and resources needed for implementation?

## **6. HOW TO PRESENT THE SELECTED OPTION, CONVINCING AND COMMUNICATE**

### **6.1. Legal basis**

- Rules of Procedure, Articles 62 – 65 which stipulate the requirements for preparation of materials for the sessions of the Government including the Statement for Compliance and the Tables of Concordance required for legislation which is harmonized with the EU legislation. Article 73 defines the content of the accompanying letter and Article 74 (1) requires that all materials and acts are submitted together with a Memorandum. Paragraph 2 of the same Article defines the content of the Memorandum which includes a section in which ministries should present the communication issues related to the proposed policy or legislation.
- Rules of Procedure for Operation of the Parliament, Section X, Passing of Laws and Other regulations and in particular Articles 135 and 136 which define the materials that accompany proposals for adoption of laws and the contents of the Explanatory Note.

### **6.2. Key outputs of the step**

Once the legal draft is prepared and all supporting analytical documents reflecting the important stages in the policy process, the ministry prepares the needed documents for submittal and presentation to the Government.

The package of documents to be prepared by the ministry as supporting documents for the proposed policy or legal instrument includes the following:

1. Accompanying letter – the purpose of the accompanying letter is to give structured introductory information on the material:
2. Memorandum – the purpose of the Memorandum is to provide ministers with the most important information that

they need in order to discuss the material brought to them, and to make the necessary decisions. Factual information in the Memorandum should be drawn from the material and supporting analytical documents specifying the options, their costs and benefits, the criteria used for assessment of each of the options, the findings and the recommendations. In fact, the Memorandum serves like an “executive summary” that summarizes the entire package of documents submitted for review to the Government.

Annex 3 to this Handbook includes the Guidelines on Preparing the Memorandum which provide useful guidance and relevant examples. .

3. The text of the legal instrument, regulation or act presented as proposal for adoption of a law, a draft law or proposed law. In accordance with the Rules of Procedure of the Parliament, proposals for passing a law should include the constitutional basis, reasons for passing the law, basic principals of the law and contents of the law. The contents of the law should cover the basic relations that are to be regulated with the law and the proposed methods of regulation. Similarly, draft laws and proposed laws should include justification of the reasons for passing the law, relations regulated with the law, information on the funds needed for implementation of the law and the way of providing those funds, as well as other issues of importance for the relations regulated with the law. Proposals for adoption of laws, draft laws and proposed laws should include Explanatory notes including:
  - Assessment of the situation in the area that is to be regulated by the law and assessment of the implementation of the existing provisions in that area;
  - the aim that is to be achieved and information on the effects expected to be achieved with the proposed solutions;
  - the amount of the funds necessary for implementation of the law and the sources for obtaining such funds, as well



as information on whether the implementation of the law will impose financial obligations for certain entities.

4. Together with the law, the ministry should submit the guiding principles of the secondary legislation.
5. The Fiscal Impact Assessment Form – the purpose of the document is to show the fiscal impacts of the proposed legislation or act on the budget over the next three years.
6. The Statement of Compliance – is submitted for all legislation which is harmonized with the EU legislation. The purpose of this document is to offer an overview of the impacts of the EU legislation on the Macedonian legislation being harmonized and to give an assessment of the level of harmonization. The Table of Concordance lists the exact text of the EU provisions that have been incorporated into the Macedonian legislation and shows how this is reflected in the legal provisions of the Macedonian legislation.

The communication messages and recommendations on how to present the policy proposal to the public are presented in Section 9 – Key Elements for Information to the Public in the Memorandum.

The General Secretariat, through its Sector for Policy Analysis and Coordination is responsible for ensuring that ministries and other state administration bodies have complied with all the formal aspects for preparation and presentation of the documents but also for reviewing the substance of the proposals in terms of their quality.

### **6.3. How to do it**

The purpose of the package of the documents and especially of the Memorandum is to provide relevant information on the analysis, options reviewed, expected impacts of the proposed policies and the recommended action so that ministers and the Government collectively can deliberate and make decisions based on relevant and true information. Therefore, the proposal and the supporting documents should present

information clearly, concisely, and in plain language so that, regardless of someone's background or knowledge of the subject matter, the issue at hand and the decisions required are understandable.

The following principles should be considered when preparing the materials to be presented to Government. The materials should:

- be concise, coherent and logical;
- be as short as possible, without excluding essential information;
- be written in plain language;
- be structured so that the key issues stand out;
- present information truly and openly;
- include draft conclusions which clearly indicate the course of action, with identification of the state administration body or bodies responsible for implementation and deadlines;
- present detailed information in appendices.

Communication issues should be reviewed carefully. Since policies and legislation need public support in order to ensure compliance, it is important to think through how and when important decisions will be presented to the public. This is especially true for policies that might have unpopular measures. The spokespersons in the ministries should cooperate and coordinate with the General Secretariat and its Sector for Public Relations to ensure communication issues are well planned and presented in the Memorandum.

#### **6.4. Checklist**

In order to ensure preparation of high quality materials are presented to the Government, the ministry should check the following:

- Is there enough time planned for preparation of all needed documents and materials to be presented to the Government?
- Have documents been prepared in accordance with the requirements defined in the Rules of Procedure?

- Are information presented in the documents concise and relevant in order to enable ministers and the Government to make the required decisions;
- Have all communication issues been reviewed and planned.

## **7. HOW TO ENSURE IMPLEMENTATION, MONITOR AND EVALUATE RESULTS**

### **7.1 Legal Basis**

The Legal basis is established by:

- The Law on Organization and Operation of the State Administration Bodies, Article 13, paragraph 1 and 4, which stipulate that the state administration bodies are responsible for the implementation policy of laws and other regulations of the Parliament and the regulations of the Government and for monitoring of the situation in the relevant sectors for which they are responsible.

### **7.2 Key outputs of the step**

Implementation is the responsibility of individual ministers and their ministries or agencies. Depending on the need for parliamentary legislation, concrete implementation of legal acts may follow directly from the government decision or begin after the parliamentary law is passed. Implementation includes preparation and passage of **secondary legislation** (where necessary), followed by concrete implementation in the field. The preparation of such legislation is in fact a “mini” policy process followed by internal approval within the ministry and signature by the minister

Once the legal framework is in place, concrete implementation and/or enforcement may begin. Ministries and all subordinated bodies or other implementing agencies responsible for implementation of the policy or law should develop detailed **Implementation** or **Action Plans** including detailed activities, responsible civil servants, performance indicators, deadlines,

monitoring and reporting procedures, and evaluation procedures. The Implementation Plan should also include the necessary institutional or organisational changes that will need to be made in order to implement the policy or law.

The ministry should develop procedures for regular monitoring and collecting information on the implementation of the policy or law. Regular **Progress Reports** should be submitted to the responsible managerial civil servants, the State Secretary and the Minister including assessment of the level of progress and indication of impediments or risks.

The ministry should also design evaluation procedures for each of the policies or laws and possibly link it to the internal audit function in the ministry.. Depending on the complexity or nature of the policy, **Evaluation Reports** should be prepared some time after the policy has been implemented or at intermediary intervals in order to evaluate the effectiveness of the policy and assess achievement of planned policy objectives.

A successful policy process is a cycle because lessons learned from the implementation of a policy or legislative instrument are then incorporated back in the process and give rise either to new policy decisions or additional policy development to modify the present instrument.

### **7.3 How to do it**

The main focus of **monitoring** is on implementation without questioning the effectiveness of the policy or law itself. Ministries should establish internal procedures for monitoring and reporting on progress. The actual monitoring should be based on the detailed Action plans which have been developed for each of the policies or laws. Usually, the monitoring is responsibility of the managerial civil servant of the Sector or Administrative Body responsible for implementation of the action plan. Ideally, monitoring should follow a regular schedule – monthly, quarterly or semi-annually depending on the activities.

The State Secretary and the Minister should be regularly informed on progress and non-progress in implementation to be able to react quickly and effectively to any backlogs or problems in implementation. Progress reports should also include assessment of the reasons for slow progress and activities which are undertaken to get implementation back on track.

In addition to monitoring progress on the Action plan, performance measures should be also monitored and reported. Data should be collected for each performance measure in a systematic way according to predefined calculation criteria. Reports on the performance indicators will be used for evaluation of the achievement of the desired changes and the outcomes of the policy or legal instrument.

**Evaluation** is a planned project with well developed methodology designed to assess critically all aspects of the policy or legal instrument. Evaluation is carried out to explore whether the intended objectives were met in an efficient way; whether unwanted side effects occurred and to what degree; whether a high degree of compliance has been reached. The expected result of an evaluation would be information on the possible need for amendments, or even the abolition of the legal instrument.

During the preparation of an evaluation, it must be decided whether the whole, or only parts of the instrument are to be evaluated, if the scope of the evaluation has not already been decided by the government or the parliament when the instrument was originally enforced. In addition, the evaluation criteria have to be determined. Evaluation criteria could include the following: the degree to which objectives were met, cost development, cost-benefit effects, implementability and positive or negative side effects.

Evaluation is carried out by comparing the expected and intended impacts with the real impacts. To this end, the expected impact of the instrument has to be clarified and documented during the preparation of the evaluation. If a policy analysis or an assessment of the draft instrument has been

carried out, the expected impact of the instrument can be drawn from that documentation.

The analysis begins with the collection of data on the real impact of the instrument. This information is then compared with the impact intended when the instrument was originally prepared. The real data should also, if at all possible, be compared with data collected before the new instrument was enforced. The latter is necessary to obtain information on what kind of change, if any, the new instrument actually brought about.

To obtain the necessary data it may be possible to use statistics. In addition, reports may be requested from executing administrations and addressees should be consulted, especially if statistical data is not readily available.

The collected information is evaluated in a comparative way. The evaluation criteria and the final evaluation of the instrument have to be documented. The recommendations, based on the evaluation, must be motivated in order to provide the political level with the necessary information to take a well-informed decision on future action regarding the legal instrument in question, namely amending, abolishing or retaining as is.

## **7.4 Checklist**

In order to ensure implementation, the Ministry should check if:

- Detailed Action plan has been prepared including detailed activities, responsible civil servants, performance indicators, deadlines, monitoring and reporting procedures, and evaluation procedures;
- The Ministry has clear monitoring procedures including monitoring on performance indicators

- Regular progress reports are submitted to the managerial civil servants
- Evaluation is carried out, especially of significant reform policies

### **III. Conclusion**

The policy development process described in this Handbook builds on the best practices of policy making in the EU Member States and the existing regulations and practices established in the Republic of Macedonia. The successive steps described above are the ideal picture. In practice, some of the distinct steps may be performed simultaneously or may not be fully followed due to lack of knowledge or resources. However, it is important to stress that this process significantly improves the capacity for achieving the desired results in the policy making.

Experiences from other countries show that the most important contributor to the quality of policy decisions is not the precision of the assessments and calculations, but the action of analysing the proposal from the initial stage using and combining the methods and techniques described in the Handbook as tools in each of the steps of the policy process. The following key elements of the policy process stand out in this Handbook:

- Setting clear policy objectives through situational analysis and definition of the problem;
- Exploring and assessing different policy options through assessment of impacts on the economy and society and identifying possible risks thus avoiding optimistic bias;
- Integrating consultations with stakeholders throughout the policy development process to improve transparency and public support.

Finally, it should be emphasised that this is a period of adjusting and developing the administration of the Republic of Macedonia to be fully prepared to assume the obligations of the EU Membership. Membership of the EU requires the administration to participate extensively in European policy development. Civil servants in

ministries must be able to respond to new proposed regulations, and to be able to assess, often quite quickly, how these might affect their own countries. The skills required to do this effectively often involve the same skills as those needed for policy development.

For these reasons, it should be pointed out that investment in better policy making and in improving the skills of civil servants in the relevant areas, is also an investment in raising the policy analysis capacity of the ministries, and thus in preparing them for tasks they will have to undertake upon Membership.



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## How to organise the work

### Think through alternative ways of organising the work

Work with developing a policy proposal may take many different forms. The choice on how to organise the work will depend on the issue. When deciding how to organise the work it would be helpful to consider questions like: to what extent the matter affects the responsibilities of other ministries; how complex the matter is; to what extent it will require very specific expertise; how it affects external parties; and how tight the timeline is.

### Make good use of working-groups

In most cases there will be substantial arguments in favour of forming a working-group to develop a proposal. The use of inter-ministerial working-groups is common in many countries, not least in the EU, and in recent years such working groups have become an established practice in Macedonia. These working-groups often consist of representatives from different ministries as well as expert-organisations.

This way of organising work with policy proposals is recommended because of potential positive effect with regard to:

- Pooling limited resources;
- Facilitating contact and collaboration between policy experts and lawyers in the substantive areas through the various steps in the policy process;
- Getting information and opinions from different actors throughout the process.

Making use of working-groups is especially important taking into consideration in the process of aligning EU legislation with national legislation. Most EU acts are cross-sectorial and potentially have elements relating to a number of ministries' responsibilities. Even acts that one ministry might think are solely within its jurisdiction may touch on issues related to other ministries.

## **The composition of the working-group**

Working-groups that are given a mandate to prepare a policy-proposal normally will consist of representatives from ministries and other state administrative bodies and perhaps external experts. When preparing policy items that are expected to have impact on systemic issues or items that concern many different ministries, a representative of the General Secretariat of the Government should be involved in the working group.<sup>11</sup>

It is generally not advisable to include the interests of NGOs, social partners or other stakeholders in the working-group. It could, however, be a good idea to organise their interests in a separate group, which could play an advisory role vis-à-vis the working-group. In that way these special interest groups will get the opportunity to express their views throughout the process. In this case, the working-group will prepare the actual proposal and the advisory group with a much broader representation will follow the process.

## **Define the role of the working-group**

When it comes to ad hoc working-groups, lack of precise rules governing their functioning may give rise to problems. It is important to avoid unclear relations between the working group and the institution which, according to the Government's work plan, is to be formally responsible for producing the draft proposal. This type of unsolved relationship may easily produce a tendency to evade responsibility.

For all working groups engaged in policy planning and development, it is important to reach an agreement with regard to the group's roles and responsibilities toward external institutions, as well as methodology of work and internal decision-making and for participation in the group. Preferably the basics should be formally established and written into Rules of Procedures of the Working-group.

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<sup>11</sup> Methodology for Policy Analysis and Coordination of the Government, Section 3.1.2.

## **The use of foreign experts – make a plan**

Cooperation with an international expert can be a big asset to the policy-making process. Making the best possible use of international experts will provide Macedonia with highly qualified expertise, as well as contribute to the spreading of best practices from other countries. However, in order to benefit fully from cooperation with international experts, their participation and involvement should be carefully planned. The following questions have to be thought through and dealt with:

- What kind of help will be needed and what will be expected contribution of the foreign experts? A general piece of advice is not to leave the actual writing of the proposal to the international expert.
- How will you help the foreign experts becoming familiar with your political system and the national character of the field that he/she is supposed to contribute to? Consider which documents the foreign expert should be advised to read to be prepared for the task, and invite him/her to ask questions on the materials you have provided.
- When will you need assistance from the expert? Here it will be of tremendous importance that you make a plan for the work. International experts often have a tight time-schedule. To be able to make the best use of the experts, you should make a project-plan with clear deadlines and stick to it.

## **Make use of ordinary project-planning techniques**

Policy-development is a complex process involving many, often conflicting interests. Some EU-member states have had good experience in organising the process of transposing EU-legislation after a so-called “transposition project plan”. Their experience is that if you organise this process in accordance with the general principles of ordinary project work this may both speed up the process and strengthen the quality of the work. Such a project plan should set out:

- Who will do what
- Timescale/key milestones
- Risks to the plan

## Practical examples

The Law on Environment – how the process was organised

An example of how the work can be organised is taken from the Ministry of Environment and Physical Planning, and their work with preparing a new Framework-law on Environment:

- The whole process started by laying down some ground rules in the “The Rules of Procedure”.
- The law was prepared by intra-ministerial working groups – a small core group, which had weekly meetings, and a larger advisory group, which had monthly meetings. The advisory group was composed of members from many different areas within the environment field. They gave comments and advice on the work of the core group.
- All relevant stakeholders were invited to a kick-off. They were informed about the planned process and they were also encouraged to give their views on implications of a new law, on existing regulations and on existing administrative structures.
- After the workshop the participants received a questionnaire, which they could use to elaborate further on the questions from the workshop.

This way of organising the law-drafting process, involving interested parties and external expertise throughout the process, provided the Ministry with relevant and important information concerning possible consequences of the new law. The Ministry of Environment has explicitly stated that they are convinced this work will provide for smoother implementation of the law.

## **The Law on Foreigners - support from international experts**

A successful way of utilising support from international experts was developed in connection with the preparation of **The Law on Foreigners**. The draft was prepared by an inter-ministerial working group. The international experts contributed by:

- Visiting Macedonia 4 times during the process participating on meetings with the working-group discussing the main elements of the law, as well as concrete sections.
- At the end of each visit, together with the working-group, making a plan for the next step (whom to do what till the next visit)
- Commenting on drafts that were sent them between the visits
- Only exceptionally writing some of the sections.

## How to consult stakeholders

### Time spent on consultation and dialogue is a good investment

Consultation should be an integrated part in all steps of the policy development process. Time spent on involving other ministries, state administrative bodies and other affected parties, is an effective and good investment.

*Firstly*, stakeholders often provide valuable insight and information that will improve the decisions. In some cases they even can ease your work as they bring forward concrete proposals that might just need a few adjustments.

*Secondly*, consultations can contribute to more efficient implementation. Other ministries, state administrative bodies and NGO's often will play key-roles in the implementation of new public policies and their support or opposition may entail the success and failures of these policies.

*Lastly*, consultations can bring enhanced legitimacy to public policies. For instance: laws made with a high level of participation from stakeholders may be viewed as more legitimate by those stakeholders. It is more likely that stakeholders will abide by the law once in place, hence facilitating enforcement of the law.

#### **What is a stakeholder?**

A stakeholder is any individual or group who can affect or is affected by the actions, decisions, policies, practices, or goals of the government or an organisation.

Conducting public consultations and involving stakeholders is a balancing act for the ministry. The benefits of the consultation process measured both in democratic benefits and added information for the ministry have to be weighed against the time spent. More extensive approaches are preferable when the legislation is of great importance or controversial. Less important or more technical legislation is more suited for less extensive forms of consultations. However, it is important that the form of consultation should not be chosen randomly.

Another balancing act the ministry must keep in mind is that everyone affected by a piece of legislation should have equal opportunity to be heard in the process. Therefore more open approaches should be considered for legislation affecting a broad spectrum of the public.

Some stakeholders have ample resources and ready access to information. It can be a challenge for the ministry to balance these stakeholders' interests with weaker stakeholders' interests. Sometimes legislation affects stakeholders who lack resources to make themselves heard. It is the democratic duty of the ministry to ensure that their interests are taken into account anyway.

### **Identify the different stakeholders**

You will need to have an understanding of the different groups affected by the issue at stake before deciding whom to involve and which methods to use. It is important to think broadly about the stakeholders beyond those who are directly affected by the policy-proposal. To produce a **stakeholder map** of all affected parties has proven to be useful tool.



The map has five categories: **1) internal and external framework providers, 2) formally responsible institutions, 3) challengers and partners, 4) intermediaries and 5) target groups.** The first two categories include stakeholders within the state administration with executive and operational duties, but it could also include technical expertise involved in assisting with making the policy proposal. It is of great importance to include those institutions that have operational responsibilities, and will use the legislation in their every day work. In the box below, you will find a more detailed description of the different categories:

#### **Internal and external framework providers**

- Who/what provides the framework for the issue/legislation?
- Who has decided that it is necessary to develop policy on the issue/have legislation?
- Is there any international agreement that binds Macedonia to develop policy in the matter?

#### **The executive authority**

- Which ministry has the responsibility to draft the issue/legislation, formulate policies and revise them?
- Which departments/units/sectors within the ministry are responsible for the enforcement?
- Who has knowledge within the ministry that is of importance for the issue/legislation?

#### **Institutions implementing the regulation**

- Who has the operational responsibilities within the ministry related to the issue/legislation?
- Who has the operational responsibilities in the state administrative bodies within the ministry (both with and without capacity of a legal person)?
- Are there any local offices (units) within the ministry that have operational responsibilities?

#### **Expert and technical knowledge**

- Are any other domestic/international experts/researchers/research institutions/organisations involved in the development of the issue/legislation?

### **Intermediaries**

- Who are actors that we can cooperate with and use to reach arenas and target groups that are difficult to reach directly?
- Who can provide information related to the issue/legislation, and who acts as opinion formers on the matter?

### **Other affected ministries or state administrative bodies**

- Are there other ministries/state administrative bodies that are affected by the issue?

### **Interest groups**

- Who can be interested in using the issue/legislation to promote their own interests?

### **Target groups**

- Who will be affected by the implementation of the legislation?
- Who are the target groups for the issue/legislation?

## **Decide which stakeholders should be involved**

A variety of factors, such as available resources, time available and the nature of the policy issue will influence decisions concerning who are involved. For most policy proposals it is advisable to consult both stakeholders inside and outside the state administration.

It is, however, important to keep in mind that parties outside the Government will represent certain interests. It should be a common practice to start consultation within the administration, and only after the results of these consultations have been taken into account, to consult stakeholders outside the state administration. They will often have important information, but they will also try to influence the decision. It is important to make sure that you balance their influence and do not give any groups inappropriate influence.

You will seldom have time or resources to reach all stakeholders, therefore it is important to identify whom you should prioritize in the consultation process. Answering the questions below will help you determine who should be consulted:

- Who can provide you with *information* on status quo and impacts by the proposed policy?
- Who have strong *interests* in the matter, and what are the competing interests?
- Who can provide you with estimates of the *costs* of implementing the new policy?
- Who are the key actors responsible for *implementation* of the policy?

## Consultation methods

### Meeting the stakeholders

To gather the stakeholders in a meeting is an effective and inexpensive way to get an overview of how different stakeholders will be affected by the policy instrument. Stakeholder meetings will also allow you to discuss impacts and detailed solutions with people with technical knowledge and to get views of particular groups. There are various ways of organising such meetings.

#### ***Ways of organising stakeholder meetings:***

***Working groups.*** An effective way to involve the key stakeholders from the very beginning is to establish working groups as was subject to a more in depth description in chapter 3.

***Reference groups/advisory groups.*** You might also choose to establish a reference group that meets regularly throughout the process, is kept currently updated and which is given the opportunity to currently comment on specific issues.

***Open stakeholder meetings.*** A good way to start the process might be to organise an open meeting with all relevant stakeholders at an early phase to inform them about the ongoing work, get a picture of which interests that will be affected of the proposal a feel for the different views on the issues. Afterwards you

might find it most useful to have separate meetings with different groups of stakeholders.

**Focus groups.** Focus groups are normally made up of around 8-10 people led by a trained facilitator in a one-off discussion on a particular topic. Focus groups allow you to explore issues in a considerable depth, and have the advantage that people can bounce ideas off others.

**User panels** A user panel allows a small group of users of affected interests to discuss how a proposal will affect their interests. Whereas a focus group usually only meets once, a user panel will meet regularly over a longer period. Most commonly used in relation with legislation that is expected to have an impact on administrative burdens on businesses.

## **Surveys**

Surveys can be an easy way to get a picture of how different public institutions or interested parties will be affected by a change in a policy instrument. It is good idea to think about how stakeholder-meetings could be used to collect additional information. For example hand out a questionnaire to enable the participants to elaborate on some of the issues, for instance how they are affected of the policy proposal.

Surveys can be used early in the process to get an understanding of the complexity of the field and it can be used later in the process to assess impacts of a proposed instruments.

## **Inviting written comments on proposals**

Written consultations exercises provide a formal means by which the lead ministry invites other ministries, other state administrative bodies or other affected parties to comment on a proposal.

In addition it should be considered to send the proposal on a public hearing. In most cases groups outside the Government will be affected by the policy-proposal and should be included in the final hearing.

**The proposal should be accompanied by a letter containing:**

- A description of the issue and the problem being addressed;
- Specific questions regarding the proposal. These questions should be grouped and targeted to the different institutions to be consulted. For example, there may be questions concerning implementation and enforcement targeted to the executing administration (police, customs, placement services etc);
- A deadline for responses;
- A list of those being consulted.

**The use of Internet**

To achieve wider consultation hearings may also be carried out through internet. The simplest way is to write a short text regarding the proposal and have it published on the ministry's *web page* with a contact phone number or e-mail address. This approach may easily be elaborated by, for example:

- Linking it to the document describing the proposal or other documents related to the proposal;
- Adding an electronic reply form and inviting the public to send comments;
- Sending the text to the known stakeholders in the reference group as well as publishing it on the Internet.

**Record the views**

All consultations have to be transparent in the way they are carried out to avoid speculations about inappropriate influence and unbalanced conclusions. Therefore, all consultations have to be well documented regarding those who were consulted, the issues on which consultation was carried out and the results of the consultation. The key points and any unresolved issues should be included in the Memorandum to the Government.

Recording views is important and it is important to prepare a summary of all the comments received in the written hearing-

exercise with an explanation why specific comments were not incorporated in the proposal. This will improve the transparency of the process, hence adding legitimacy to the final law.

Example of a Stakeholder Map developed for the Law on Foreigners

**GUIDELINES FOR DEVELOPMENT OF THE MEMORANDUM  
OF THE GOVERNMENT OF MACEDONIA**

***INTRODUCTION***

***OBJECTIVE OF THE GUIDELINES***

The purpose of the Guidelines is to help the civil servants in the Ministries and other state administration bodies who develop proposals (materials and acts) for deliberation and adoption by the Government to prepare the Memorandum considering the priorities as set in the Annual Programme for Work of the Government.

The Guidelines include two parts. The first part elaborates on the purpose of the Memorandum and the mode of its preparation. The second part includes the guidelines for preparation of each of the sections and gives useful examples.

***1. PURPOSE AND MODE OF PREPARATION***

***WHAT IS THE MEMORANDUM?***

The Memorandum is a document of standardised form which in 3 – 5 pages presents the key information necessary for the Ministers and the Government to deliberate on the proposal and, on the basis of relevant information, to bring the necessary conclusions (decisions).

The Memorandum represents an executive summary of the entire material or act and of the analyses made in the Ministries and other state administration bodies during the development of the proposal. In fact, the Memorandum reflects the whole process of preparation of the proposal (material or act) and it is a tool through which the minister can present the issue and get support from the other members of the Government on the proposed solution of the issue.

In the ministries, the Memorandum may be used as a “check list” used to check whether the issue has been reviewed and analysed from all aspects and that the opinions of other ministries, state administration bodies and other institutions and civil society, that is all relevant stakeholders have been taken into consideration. The development of the Memorandum, also, requires good coordination and cooperation among the sectors in the ministry in order to make the necessary analyses (for example: analysis of the situation in the specific area treated in the material, fiscal impact assessment, harmonization with the EU legislation, etc.). Thus, the proposing ministry, that is the Minister who manages the ministry, will offer high quality material for his/her colleagues in the Government. Therefore, the Memorandum has a pivotal role in the decision-making process.

The Memorandum is also used by the staff in the General Secretariat to analyze and check the materials in accordance with the Rules of Procedure for Work of the Government and other regulations. Based on the Memorandum, the staff in the General Secretariat may recommend to the Secretary General if a specific material is ready to be discussed in the meeting of the Collegium of State Secretaries (the General Collegium), the working bodies of the Government or the Government.

### **WHEN AND HOW TO PREPARE THE MEMORANDUM?**

The Memorandum has to be prepared for all materials and acts that are submitted by the ministries and other state administration bodies for deliberation and decision by the Government<sup>12</sup>.

The Memorandum does not need to be prepared for information materials and acts supporting the implementation of laws (decrees, decisions, instructions, programmes, agreements and conclusions).

The Memorandum is prepared at the end of the process for development of the proposal, after the completion of all analyses

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<sup>12</sup> In accordance with Article 73-a of the Rules of Procedure of the Government of the Republic of Macedonia (“Official Gazette of the RoM” No. 38/01, 98/02, 9/03, 47/03, 64/03, 67/03 and 51/06)



on the possible options, the expected impacts of the proposal and after the opinions of all stakeholders have been collected and reviewed. This, however, does not mean the Memorandum should be prepared in the last moment before submitting the materials to the Government. Sufficient time should be planned to prepare high quality Memorandum.

When preparing the Memorandum, the key point that should be taken into consideration is that this is a document through which the minister should present the proposal and get support from the Government. Therefore, the information should be precise, clear and openly present all possible positive and negative impacts of the proposal.

Here are some practical tips for completing the Memorandum:



- ✓ Focus on the most important and substantive information necessary for making the decision;
- ✓ Support your recommendations with arguments;
- ✓ Avoid unfamiliar, technical terminology and acronyms;
- ✓ Avoid long, complicated sentences and texts;
- ✓ Check the text several times and cut back unnecessary words and sentences;
- ✓ Ask a colleague, who is not familiar with the issue presented in the material, to read the final draft of the Memorandum and to tell you if it is clear.

## **2. GUIDELINES**


Guidelines for preparation of each section of the Memorandum, with simple examples, are presented below.

## 1. **Decision Required**

Summarise the key issue that the Government should review and decide upon in several sentences which should not exceed more than half a page.

This section of the Memorandum:

- ✓ Explains and develops the title of the material
- ✓ Links the title to the proposed course of action
- ✓ Introduces the recommended solution

Example 

<b>Weak</b>	<b>Better</b>
Adoption of the Law on Protection Against Smoking in order to ban smoking in public areas and to sanction individuals or institutions that do not observe the provisions of the law	The Government should review the proposal to ban smoking in public places and to sanction inobservance of the ban

## 2. **Options Considered**

Give a brief overview of the options considered and the consequences or impacts of each of the options should they be implemented.

Start with the option not to intervene (status quo) that is, what the consequences would be if the Government does not intervene with any kind of activities. This option should be included not only because the Government should have a clear picture of the consequences, but it can be used as a baseline for comparison with the other options presented. Clearly describe the risks linked with each of the options, the probability of occurrence of such risks and how they can be mitigated. Briefly describe how each of the options could be implemented.

Example




Option	Proposal
<b>Status Quo</b>	<p data-bbox="330 254 949 284"><b>Policy on Protection Against Smoking</b></p> <p data-bbox="330 288 949 684">The consequences of smoking are harmful both for smokers and non-smokers. According to the recent data there are ____ smokers in the country, which represents ____% of the population. This means that ...% of the population is exposed to the harmful consequences of smoking which potentially may lead to serious health conditions in the lungs and cardiovascular system in non-smokers and especially children. The treatment costs of such diseases amount to approximately ____ Denars per person. If the Government does not intervene, the treatment costs in the long run would increase to approximately ____ Denars/annually.</p>
<b>Option 1</b>	<p data-bbox="330 684 949 745"><b>Adoption of a law to ban smoking in all public areas</b></p> <p data-bbox="330 749 949 931">It is expected that the ban on smoking in public places will have positive effects on the health of the population because the risk of lung and cardiovascular diseases would be decreased by approximately ____% leading to savings of app ____ Denars in the health system.</p> <p data-bbox="330 935 949 1022">Also, the fact that the smokers will be required to smoke in specially designated areas, may motivate smokers to smoke less.</p> <p data-bbox="330 1026 949 1268">However, the designation of special smoking areas in all public places will incur additional costs both for the public and the private sector. The average time spent in the smoking areas would be approximately 1 hour per employed smoker which might lead to decreased efficiency of all employed smokers or a loss of approximately ____ Denars/day per employee.</p> <p data-bbox="330 1273 949 1383">The implementation costs of this law would amount to approximately ____ Denars. The Market Inspectorate will have to be closely involved in implementation by regular inspections. Considering</p>

	the vast number of public places, it will be necessary to additionally employ ____ inspectors, which amounts to ____ Denars annually.
<b>Option 2</b>	<b>Public campaign against smoking in public areas</b>
	The positive impacts would be the same as those presented for option 1. However, the expected outcomes might be decreased because it is assumed that smokers might not observe the recommendations given in the campaign. The implementation of the campaign would cost ____ Denars and would include the following tools ____
<b>Option 3</b>	<b>Adoption of a law to ban smoking in public areas supported by public campaign</b>
	The positive impacts as well as the costs would be a combination of options 1 and 2 above. It is expected that the law will not be supported by the smokers which potentially could lead to inobservance of the law and the expected outcomes will not be achieved. It is believed that if the law is supported by a broad public campaign in schools, companies, etc. the expected outcomes could be achieved. Some interaction effects can be expected, which might increase overall effectiveness.
<b>Option 4</b>	<b>Increase import excise taxes for cigarettes</b>
	This fiscal instrument would on average increase the cigarette prices for ____%. The prices may affect consumption levels and thus indirectly positively impact the health both of smokers and non-smokers. The increased excise taxes would result in increased budget revenues of ____ Denars/annually. However, this measure might significantly increase the risk of cigarettes smuggling. In this case, the revenue loss would be approximately ____ Denars/annually.

### 3. Results form the Consultation Process with the Line Ministries, other State administration bodies and Organizations

The purpose of this section of the Memorandum is not only to list the line ministries, other state administration bodies, organizations and NGO's that have been consulted, but also to highlight those that were most concerned with the proposal and had opposed opinions and to justify the reasons for not incorporating their comments in your proposal.

The information in this section of the Memorandum is important for the ministers and the Government because they can identify the issues that have not been resolved and should be discussed and solved in the sessions of the General Collegium, the Government working bodies and the Government. Such information will enable the ministers to prepare adequately for the sessions. Therefore, it is important to objectively and transparently highlight all disputable issues that occurred during the preparation of the proposal which were not resolved.

Example 

<b>Weak</b>	<b>Better</b>
<p>The Ministry of Environment and Spatial Planning and the Ministry of Finance had a positive opinion on the proposal. The Ministry of health had negative opinion regarding some of the issues in the proposal.</p>	<p>The Ministry of Environment and Spatial Planning and the Ministry of Finance had a positive opinion on the proposal. The Ministry of Health did not agree with _____ because it believes that this will have negative impacts on the _____. The comments of the Ministry of Health were not incorporated because the proposal of our ministry is in accordance with EU Directive _____ and the comparative experience in the EU member states shows that _____.</p>

#### 4. Statement on Conformity of the Legislation with the EU legislation

Briefly state the key information included in the Statement on Conformity of the Legislation with the EU Legislation, that is:

- ✓ The provisions of the Stabilization and Association Agreement that create the commitment for harmonization (Alternative: ... the source of the commitment for harmonization)
- ✓ The level of fulfillment of commitments;
- ✓ The level of conformity;
- ✓ The reasons for partial conformity of the proposal with the EU legislation and the key points of the analysis made;
- ✓ Planned timelines for achieving full conformity.



Example

<b>Weak</b>	<b>Better</b>
<p>The proposal on the Law on Consumer Protection has been partially harmonised with the EU legislation. The reasons are included in the Statement on Conformity.</p>	<p>The commitment for harmonization of the Law on Consumer Protection originates from the SAA and it has been partially completed.</p> <p>The proposal is partially harmonised with the EU legislation because the Directive 31985L0577 requires establishment of a _____ which will incur additional expenses for the ministry budget of approximately _____ Denars/annually. It is planned that the needed funds for the establishment of _____ will be provided in the 2008 budget when the Law on Consumer Protection will be fully harmonised with the relevant EU legislation.</p>

## 5. Recommended Option

State the recommended option and explain why you recommend that option as the best one. The recommended option should be based on the analysis of:

- ✓ the arguments that justify the government decision;
- ✓ the most appropriate measures or instruments that should lead to the expected outcome (for example: by adoption of legislation, by public campaign or through fiscal instruments)
- ✓ the benefits against the costs

The information in this section of the Memorandum should be linked to the information stated above in “Options Considered”. In support of your recommended option you may explain how the proposal is linked to the Government priorities, the strategic plan of the ministry, other commitments or conclusions of the Government, etc.

Example



<b>Weak</b>	<b>Better</b>
It is recommended that the Government adopts a Law on Protection Against Smoking.	It is recommended that the Government adopts a Law on Protection Against Smoking because this instrument will ban smoking in public areas and enable better control. The measures implemented so far were weak and the numerous public campaigns on the harmful consequences of smoking did not produce the expected outcomes. The analysis showed that the savings in the health sector will amount to approximately ___Denars in the long run. This justifies the expenses of app ___Denars/annually for the implementation of the law. In addition, the proposal will contribute to the strategic objective of the Government for cutting expenses in the health sector and for protection of the environment.

## 6. Fiscal Impact Assessment

Briefly describe the results of the fiscal impact assessment. Highlight the expenses/revenues that will be produced as result of the implementation of the proposal and the source of funding.


Consider the following expenses:

- ✓ Employments needed for the implementation of the proposal especially if the proposal includes establishment of a new institution;
- ✓ Capital investments (buildings and offices, acquisition of new offices or refurbishment of existing offices);
- ✓ Operating expenses (rents, IT equipment and software, other equipment and maintenance and other types of material/operative expenses)
- ✓ State aid (loans, grants, subsidies).

Consider the following revenues:

- ✓ Tax revenues
- ✓ Other types of revenues (non-tax revenues, fees for licenses, approvals, etc.)

Depending on the stage of the proposal (proposal for adoption of a law – first reading, strategy), especially in cases when the Government is asked for a general guidance or if you cannot give a detailed fiscal impact assessment in this stage, describe the type of expenses/revenues that you anticipate will occur in the implementation (for example: employments, capital investments, etc.).

Example 

<b>Weak</b>	<b>Better</b>
The funds for implementation of the law will be provided from the budget of the Republic of Macedonia.	In the first and the second year of the implementation of the law ____ Denars will be needed for employment of ____ staff, offices and operating costs. In the




	<p>consecutive years the expenses will decrease to ____ Denars because there will be no capital investment costs.</p> <p>The funds for the employments and capital investments will be covered by the ministry budget for 2007 and 2008, and the costs for equipment amounting to ____ Denars will be provided through foreign donations.</p>
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**7. Expected Impacts**

Briefly state the positive and negative impacts of the proposed measures on the economy, industry, tax payers, employment, environment, etc. Use specific quantitative and qualitative measures identified in you previous analysis and avoid general statements.

If the proposal involves introduction of fiscal instruments (new tax rates, fees, tax exemptions or state aid – loans, grants, or subsidies) describe the impacts of these measures on the economy, industry, employments, etc.

Example 


<b>Weak</b>	<b>Better</b>
The proposal will have positive impacts on the economy and employment levels.	The tax exemptions for the employers will have positive impacts on the employment levels. It is estimated that the level of employment will increase by ____% leading to raise in production levels for ____% and potential export levels of ____%. In order to avoid employers reporting previously illegally employed individuals and thus

	<p>diminish expected effects of the measure by encouraging new employments, the implementation will have to be done in conjunction with the Labour Inspectorate.</p> <p>The subsidies for this measure will be at the level of ____% and this will represent a burden for the budget of ____Denars /annually which justifies the expected effects.</p>
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### 8. Assessment of the Secretariat for Legislation

Summarise the opinion of the Secretariat of Legislation and highlight the key comments of the Secretariat regarding the alignment of the regulations with the Constitution of the Republic of Macedonia and other laws and how they have been incorporated in the proposal. Also, if no agreement has been reached on their comments, please state their opinion and why it has not been incorporated in the proposal.

If the proposal includes provisions that have been harmonised with the EU legislation and other international agreements ratified by the Parliament, please state the opinion of the Secretariat in relation to the level of conformity of the proposal with the EU legislation

Example 

<b>Weak</b>	<b>Better</b>
The opinion of the Secretariat of Legislation has been incorporated.	The Secretariat was concerned that the proposed provisions were not in accordance with the Law on ____and that this will result in difficulties in the implementation. The provisions were completely harmonised with the Law on ____

## 9. Key Communication Messages

Briefly state the key communication messages and target groups to which they will be addressed. This is particularly important if it is anticipated that the proposal will be unpopular and difficult to accept by specific target groups or the general public.

In support to your communication messages, state whether your proposal is in accordance with the strategic priorities of the Government, the Programme of the Government presented by the Prime Minister designate when the Government is elected or with other commitments of the Government.

The communication messages should include key points which would be used by your Minister or Spokesperson when presenting the proposal. Also, state whether you are planning to organise promotional activities, campaigns or other type of media presentations in order to get support on the proposal from the public.

Example



Weak	Better
<p>Today, the Government adopted the Proposal on the Law on Protection Against Smoking. This law will ban smoking in all public areas and the fines will be from _____ to _____ Denars for those not observing the law.</p>	<ul style="list-style-type: none"> <li>• The purpose of the Law on Protection Against Smoking is to protect the health of both smokers and non-smokers and especially of children.</li> <li>• It has been confirmed that the consequences of passive smoking are harmful and lead to serious cardiovascular and lungs diseases.</li> <li>• It is expected that, on the long run, the law will produce savings in the health sector of _____ Denars/annually</li> <li>• The law is in accordance with the Government strategic priorities for cutting expenses in the health sector and for improving the environment</li> <li>• The law is in accordance with the world trends for protection against smoking</li> </ul>



**Republic of Macedonia**

(Stamp and archive number of the proposing Ministry)

**MINISTRY OF:**

**TO THE SECRETARY GENERAL OF THE GOVERNMENT OF THE  
REPUBLIC OF MACEDONIA**

**Title :**



**EPP number.** \_\_\_\_\_ (Number of the material according to the National Programme for Adoption of the Acquis)

**Compliance with the Annual Programme of the Government:**

(Please indicate the level of priority of the material according to the Annual Work Programme of the Government and whether the same is related to the Government's strategic priorities or is foreseen within the Programme)

**Compliance with Article 68 of the Government's Rules of Procedure:**

YES

PARTIALLY

NO

**Proposed government session on which the material should be discussed:**

**CHARACTER OF THE MATERIAL:**

- Free access
- Restricted use
- Classified information (state secret, highly confidential, confidential, internal;)

**URGENCY OF THE MATERIAL:**

(Please justify the urgency)

**Annex:**


- Financial implications assessment form
- Statement of compliance of the act with the acquis communautaire
- Table of concordance
- Opinions given by \_\_\_\_\_

**DATE OF SUBMITTAL:** \_\_\_\_\_ year

**SIGNATURE:**

(of the Minister or the State Secretary)

## INSTRUCTIONS

  
 Republic of Macedonia  
 MINISTRY OF \_\_\_\_\_  
 TO THE SECRETARY GENERAL OF THE GOVERNMENT OF THE  
 REPUBLIC OF MACEDONIA

TITLE: \_\_\_\_\_  
 EPP Number: \_\_\_\_\_

Compliance with the Annual Programme of the Government \_\_\_\_\_

Compliance with Article 68 of the Government's Rules of Procedure  
 YES      PARTIALLY      NO

Proposed government session on which the material should be discussed: \_\_\_\_\_

CHARACTER OF THE MATERIAL: \_\_\_\_\_  
 URGENCY OF THE MATERIAL: \_\_\_\_\_

Annex: \_\_\_\_\_

DATE OF SUBMITTAL: \_\_\_\_\_      SIGNATURE: \_\_\_\_\_

Stamp and archive number of the proposing Ministry.

Complete name of the Ministry proposing the act.

Type of material: law, analysis, review, report, information, decision, resolution, etc. Please indicate the complete title of the material and a short description of the proposal in question.

Number of the material according to the National Programme for Adoption of the Acquis

Please state if the material is in compliance with the Government's Work Programme. To be referred to the exact place of the material in the Programme or if the material is not included in the same.

The Ministry proposing the act should state whether the material has been harmonised with other ministries.

Proposal of the Ministry on which Government session the material is to be discussed, depending on its urgency.

Character of the material: for free access, for restricted use or classified information.

If the material is urgent, please justify the urgency.

Accompanying documents for discussion submitted along with the material (reports/opinions from other ministries, financial implications assessment form, statement for compliance of the act with the acquis communautaire, table of concordance, draft-conclusions to be adopted by the Government, draft media treatment.)

Date when the material is submitted to the Government.

Mandatory signature of the Minister or the State Secretary.



REPUBLIC OF MACEDONIA

MINISTRY OF \_\_\_\_\_

## MEMORANDUM

**TITLE** (as it is in the accompanying letter) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_  
(of the Minister or the State Secretary)

**SKOPJE,** \_\_\_\_\_ **200\_**  
(date of submitting the material to the General Secretariat)

1. Overview:

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2. Options considered (arguments for and against):

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3. Results from consultations with line ministries, other state administrative bodies and organisations:

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4. Does the material include state aid elements:

YES NO

Is the decision of the Commission for Protection of Competition regarding the compatibility with the state aid adopted:

YES NO

5. Statement of compliance of the act with the *acquis communautaire* (annex)

YES NO

6. Compliance with obligations arising from ratified international agreements:

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7. Solution recommended (explanation containing):

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8. Fiscal implications of the materials proposed:

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9. Expected impacts:

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10. Opinion given by the Secretariat for Legislation:

YES NO

11. Key elements for informing the public:

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1. **Overview:** The Ministers i.e. the Government are briefly informed on the issue that the body proposing the act is asking them to consider and decide upon.
2. **Options considered (arguments for and against):** The options considered by the body proposing the act, giving essential information only (one or two sentences at most). The comments should include the arguments for and against.
3. **Results from consultations with line ministries, other state administrative bodies and organisations:** This section should identify those Ministries, NGOs, and other target groups for which this proposal would have a major impact. It should highlight the entities which have been consulted regarding the proposal and to specify its opinions and comments of crucial significance and have not been resolved during consultations. It is important that these opinions are reflected openly and accurately in the Memorandum. Note that the purpose of this section is not to list all the Ministries that agreed with the proposal, nor to give minor comments not so important for an argument, but related to formats and drafting.
4. **Does the material include state aid elements and is the decision of the Commission for Protection of Competition regarding the compatibility with the state aid adopted:** Statement whether or not the material contains any elements of state aid i.e. whether or not the Commission for Protection of Competition has prepared and submitted its Report and a decision on the compatibility of such state aid.
5. **Statement of compliance of the act with the *acquis communautaire*:** Considering the fact that the Ministries and other state bodies have the primary responsibility in the harmonisation of the national legislation with the EU legislation, the statement of compliance states the manner of the act's harmonisation, the EU measures transposed, the level of compliance, the data on the translation and the use of technical assistance. Filling up the statement should be made according to the methodological guidelines annexed to the same.
6. **Compliance with obligations arising from ratified international agreements:** This part should contain an assessment of whether the proposed material is in compliance with the obligations arising from any ratified international agreements i.e. a list of international agreements



ratified in accordance with the Constitution of the Republic of Macedonia the material complies with.

7. ***Solution recommended (explanation containing):*** This section should indicate the recommended option and the explanation as to why the recommended option has been chosen over the alternatives given. Where possible, links should be pointed to the Government's strategic priorities and other commitments and conclusions-decisions of the Government. The cost-effectiveness and the public opinion over the proposed option should also be mentioned in this section.
8. ***Fiscal implications of the materials proposed:*** Based on the fiscal implications analysis, this section indicates the expected costs of the recommended option as well as the financial source (e.g., Ministry's own funds, next year's Budget, reserves, etc.)
9. ***Expected impacts:*** Short summary of the impact this conclusion-decision may have on such things as the public opinion, tax payers, the economy, employment, environment, etc. The summary should draw on the analysis and any quantitative research results given in the package.
10. ***Opinion given by the Secretariat for Legislation:*** This part indicates the view given by the Secretariat for Legislation. The opinion given in terms of the act's compliance with the EU legislation should be included.
11. ***Key elements for informing the public:*** This section should suggest small number of messages that should be used when announcing or explaining the conclusion-decision of the Government and why the Government decided to adopt the same. This is particularly important in cases where a decision can be expected to be unpopular with the public.

# Financial Impact Assessment Form

<b>1. Title of proposal</b>	<b>2. Ministry or State Administration Body</b>			
<b>3. Purpose of proposal</b>	<b>4. Type of proposal</b>			
<b>5. Contact name and position</b>	<b>6. Contact details</b>			
<b>7. Activity:</b>				
<b>8. Type of Request :</b>	<input type="checkbox"/> EU related legislation/regulation	<input type="checkbox"/> New Activity	<input type="checkbox"/> Reallocation between two activities	
	<input type="checkbox"/> Other New Legislation/regulation	<input type="checkbox"/> Increase/ decrease to existing activity	<input type="checkbox"/> Consolidation of two or more activities	
<b>9. Purpose of Request/Action Proposed:</b>				
<b>10. Relation to Government Programme</b>				
<b>11. Financial Implications:</b>	<b>(000s denars)</b>			
	<b>Current Year</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
A. Total Cost of Proposal				
Salaries				
Goods & Services				
Capital				
Transfers				
Total				
B. Approved Allocation Related to Proposal				
Salaries				
Goods and Services				
Capital				
Transfers				
Total				
C. Change from Approved Allocation (B-A)				
Salaries				
Goods & Services				
Capital				
Transfers				
Total				
D. Available Expenditure Offset (from other activities or programs within the Institution)				
Salaries				
Goods & Services				
Capital				
Transfers				
Total				
E. Net Impact on Institution's Allocation (C-D)				
Salaries				
Goods & Services				
Capital				
Transfers				
Total				
F. Increase/ Decrease in Revenue Generation				
G. Additional Sources of Financing or Cost-Sharing				
Source:				
_____				
<b>12. Net Increase/ Decrease in Number of Staff</b>				
<b>13. What guarantees, loans, or other actual or contingent obligations on the government will be created (if not listed in 11 A to 11 G).</b>				

14. If this is a request for additional funding in the current financial year, or outside the normal budget-making cycle, provide justification.	
15. Date Assessment completed	
16. Date submitted to Ministry of Finance for comments	
17. Date of response from Ministry of Finance	
18. Changes requested by Ministry of Finance	
19. Ministry response	
20. Finance response	
21. Are Finance comments attached?	
22. Approval/Date:	
_____ Signature of State Secretary or Agency Head	____/____/____ Day / Month / Year
_____ Signature of Minister	____/____/____ Day / Month / Year

## Notes on completing the Financial Impact Assessment Form

- 1. Title of proposal**

Provide the proposal title in a few words that clearly indicate the subject: e.g., Proposed Amendment to Civil Service Law on Recruitment Process.
- 2. Ministry/State Administration Body**

Indicate the name of the ministry submitting the proposal. If the proposal has been prepared by a state administration body (e.g., agency or commission) that reports to the submitting ministry, provide the name of the state administration body in parentheses following the name of the ministry that it reports to. Provide only the name of the state administration body if it reports directly to the Government.
- 3. Purpose of proposal**

Indicate whether the proposal being submitted is for decision (approval to introduce legislation, regulations) approved or for information.
- 4. Type of proposal**

Indicate whether the proposals being submitted is a draft law, draft amendment, secondary legislation, regulations, concept paper, capital investment proposal, divestment proposal, or other (describe).
- 5. Contact name and position**

Provide the name and position of a person who can answer questions on the content of this proposal. These are most likely to be asked by the Secretariat-General of the Government or Ministry of Finance.

- |   |   |
|---|---|
| <b>6. Contact details</b>                           | Provide the contact's phone number and, if available, e-mail address.   |
| <b>7. Activity</b>                                  | State the name of the program or activity if the proposal relates to an existing program or activity.   |
| <b>8. Type of Request</b>                           | Check one or more of the types of request that relate to the proposal.  |
| <b>9. Purpose of Request/action Proposed</b>        | In one or two sentences, describe the objective of the request.   |
| <b>10. Relation to Government Program</b>           | In one or two sentences, describe how the proposal supports the government's Program  |
| <b>11. Financial Implications</b>                   | Record estimated costs and revenue implications for the first year and future years. Record total, not incremental, information. The 'Current Year' column should reflect the funding and/or staff required for the remainder of the year only. |
| <b>11A. Total Cost of Proposal</b>                  | The total cost of the proposal including approved and any additional funding needs.   |
| <b>11B. Approved Allocation Related to Proposal</b> | The approved level of funds within the program/ activity allotted to the specific proposal.   |
| <b>11C. Change from Approved Allocation</b>         | To determine the requested change in level of funding, subtract 'Existing Allocation Related to Proposal' (11B) from 'Total Cost of Proposal' (11A).  |

**11D. Available Expenditure Offset**

Identify available expenditure offsets to be considered for the proposal. These offsets can come from another program or activity for which the institution is responsible.

**11E. Net Impact on Institution's Allocation**

Identify the net impact the proposal will have on the Institution's total allocation. Calculate this amount by subtracting 'Available Expenditure Offset' (11D) from 'Change from Approved Allocation' (11C).

**11F. Increase/ Decrease in Revenue Generation**

Identify the change in the amount of revenues that will be generated from the proposal.

**11G. Additional Sources of Financing or Cost-Sharing**

Identify sources and amount of financing other than the state budget, e.g. donor funding.

**12. Net Increase/ Decrease in Number of Staff Related to Request**

Identify the net increase or decrease on the number of staff (express part-time as a proportion of full-time) that will result from the proposal. Include the staffing impact (if any) resulting from the expenditure offset.

**13. What guarantees, loans, or other actual or contingent obligations on the government will be created (if not listed in 11 A to 11 G).**

It is important to identify any consequences of the proposal that would create a burden on the budget at a future date. Give details of any guarantees, loans, or other actual or contingent obligations on the government that the proposal would create, if they are not listed in the answers to questions 11 A to 11 G above.

- 14. If this is a request for additional funding in the current financial year, or outside the normal budget-making cycle, provide justification**
- Expenditure should be planned through the annual budget process. In planning expenditure, Ministries should adhere to the budget law approved by Parliament. Only when exceptional circumstances arise should requests for additional funding be made. Strong justification should be provided for such requests, since the Government needs to be aware of the full resource implications of such requests when making decisions on them.
- 15. Date Assessment completed**
- Provide the date the assessment was authorized by the State Secretary. If no assessment was completed because no fiscal impacts could be identified, provide the date that State Secretary authorized this response.
- 16. Date Submitted to Ministry of Finance for comments**
- Provide the date that the fiscal impacts assessment and the proposal were submitted to the Ministry of Finance. It is assumed that these will be provided together.
- 17. Date of response from Ministry of Finance**
- Provide the date that written comments were received by the ministry/state administration body from the Ministry of Finance.
- 18. Were changes requested by Ministry of Finance?**
- Indicate (Yes or No) whether the Ministry of Finance requested any changes in the ministry's financial impact assessment.

- 19. Ministry response** If changes were requested, briefly describe whether the Ministry of Finance's comments are now reflected in the proposal being submitted and in a revised financial impact analysis. If not, explain why.
- 20. Finance response** Indicate whether the Ministry of Finance is aware of the Ministry's response to its comments and whether it is in agreement with the Ministry's response.
- 21. Are Ministry of Finance comments attached?** Indicate yes. If the comments are not attached, the proposal should not be forwarded to the Government
- 22. Approval/Date:** The submission must be signed and dated by the State Secretary (or Agency Head) and Minister, as appropriate. The Minister's signature confirms that he or she supports the proposal and is advising his or her Government colleagues to approve it. The State Secretary or Agency Head's signature indicates that he or she is satisfied that the analysis is correct and complete, and is consistent with the Minister's direction.



**STATEMENT OF COMPLIANCE OF THE ACT WITH THE ACQUIS COMMUNAUTAIRE WITH TABLE OF CONCORDANCE**

<b>1. Legal act</b>
1.1. Act title
1.2. Body proposing the act
1.3. EPP Number
1.4. Number and title of the acquis communautaire chapter according to the National Programme for Adoption of the Acquis

<b>2. Compliance of the draft act with the provisions of the Stabilisation and Association Agreement between the Republic of Macedonia and the European Communities and their Member States</b>
2.1. Provision of the Agreement referring to the normative contents of the act
2.2. Is the legal act in compliance with the Stabilisation and Association Agreement provisions <input type="checkbox"/> Yes <input type="checkbox"/> No
2.3. Reasons for non-fulfilment or partial fulfilment of the obligations arising from the above mentioned Agreement provisions

<b>3. Compliance with the sources of the European Union law</b>								
3.1 Level of compliance with the secondary sources of EU law								
<table border="0"> <tr> <td>EU act (CELEX No.)</td> <td><input type="checkbox"/> full compliance</td> <td><input type="checkbox"/> partial compliance</td> <td><input type="checkbox"/> non-compliance</td> </tr> <tr> <td>EU act (CELEX No.)</td> <td><input type="checkbox"/> full compliance</td> <td><input type="checkbox"/> partial compliance</td> <td><input type="checkbox"/> non-compliance</td> </tr> </table>	EU act (CELEX No.)	<input type="checkbox"/> full compliance	<input type="checkbox"/> partial compliance	<input type="checkbox"/> non-compliance	EU act (CELEX No.)	<input type="checkbox"/> full compliance	<input type="checkbox"/> partial compliance	<input type="checkbox"/> non-compliance
EU act (CELEX No.)	<input type="checkbox"/> full compliance	<input type="checkbox"/> partial compliance	<input type="checkbox"/> non-compliance					
EU act (CELEX No.)	<input type="checkbox"/> full compliance	<input type="checkbox"/> partial compliance	<input type="checkbox"/> non-compliance					
3.2. Level of compliance with other sources of EU law (primary legislation, case law of the European Court of Justice etc.)								
3.3. Reasons for partial compliance or non-compliance								
3.4. Deadline for achieving full compliance of the draft act with the European Union legislation								
3.5. Table of concordance (annex)								

<b>4. Translation of sources of the EU law and the legal act</b>			
4.1. Are the abovementioned sources of EU law translated into Macedonian? If SEA is not a source of the translated version, the translation is to be delivered to the Secretariat for European Affairs obligatorily.			
<table border="0"> <tr> <td><input type="checkbox"/> Yes</td> <td>MK Version</td> <td><input type="checkbox"/> No</td> </tr> </table>	<input type="checkbox"/> Yes	MK Version	<input type="checkbox"/> No
<input type="checkbox"/> Yes	MK Version	<input type="checkbox"/> No	

4.2. Availability of the translated version of the EU act
4.3. Is the draft act translated into English?
<input type="checkbox"/> Yes <input type="checkbox"/> No
4.4. Is the draft act translated into other EU language?
<input type="checkbox"/> Yes <input type="checkbox"/> No
4.5. Availability of the translated version of the act

<b>5. Expert opinion and assistance (EC, CARDS, IPA, TAIEX, SIGMA, Member State, Council of Europe, local experts)</b>
5.1. Participation of technical assistance and consultants during the elaboration of the draft act
5.2. Opinion upon the compliance of the act

<b>Head of the responsible sector</b>	
Name and surname:	
Title and position held:	
Signature:	
Date:	
<b>Minister</b>	
Name and surname:	
Signature:	
Date:	

### 3.5. TABLE OF CONCORDANCE

#### MK – EU Form

Title of the national act where transposition occurred (number of article)	Contents of the provision of the national act where transposition occurred	EU act CELEX No	Title of the EU act transposing (number of article)	Contents of the provision of the EU act transposing	Comment	Evaluation of the compliance level	Responsible body/institution

#### EU – MK Form

EU act CELEX No	Title of the EU act (number of article)	Contents of the provision of the transposing	Title of the national act where transposition occurred (number of article)	Contents of the provision of the national act where transposition occurred	Comment	Evaluation of the compliance level	Responsible body/institution

Done by:		Head of the responsible sector		Minister	
Name and surname:		Name and surname:		Name and surname:	
Title and position held:		Title and position held:		Signature:	
Signature:		Signature:		Date:	
Date:		Date:			

**OPINION GIVEN BY THE SECRETARIAT FOR LEGISLATION ON THE STATEMENT OF COMPLIANCE WITH TABLE OF CONCORDANCE OF THE ACT  
(NAME, EPP NUMBER)**

The Secretariat for Legislation has considered the statement of compliance and issues the following opinion:

<b>Regarding points 2. and 3. of the Statement, including the Table of concordance, the Secretariat for Legislation:</b>	
a) fully complies	<input type="checkbox"/>
b) partially complies and gives the following comments:	
<input type="checkbox"/> estimates that the level of compliance of the EU act is not properly consisted, due to the following reasons:	
<b>Opinion prepared by:</b>	
Name and surname:	<b>Secretary of the Secretariat for Legislation</b>
Title and position held:	Name and surname:
Signature:	Signature:
Date:	Date:

**METHODOLOGICAL GUIDELINES FOR FILLING UP THE STATEMENT OF COMPLIANCE WITH THE ACQUIS COMMUNAUTAIRE AND TABLE OF CONCORDANCE OF THE ACT**

<b>1. Legal act</b>
1.1. Act title <i>The complete title of the draft act in Macedonian and English language – law or bylaw (rulebook, decree, decision etc.) subject to harmonisation with the acquis communautaire. Some standardised terms which are to be applied in consistent manner are annexed to the Guidelines hereto.</i>
1.2. Body proposing the act <i>The name of the state administrative body—the body proposing the act and the organisational unit whereby the draft act was prepared.</i>
1.3. EPP Number <i>The number under which the draft act was entered in the National Programme for Adoption of the Acquis</i>
1.4. Number and title of the acquis communautaire chapter according to the National Programme for Adoption of the Acquis <i>The number and title of the chapter</i>

<b>2. Compliance of the draft act with the provisions of the Stabilisation and Association Agreement between the Republic of Macedonia and the European Communities and their Member States</b>
2.1. Provision of the Agreement referring to the normative contents of the act <i>Provision i.e. provisions from the Agreement, related to the normative contents of the draft act; the heading, chapter and the number of the article in the Agreement is being indicated. If the Agreement does not contain a provision related to the normative contents of the draft act, points 2.2 and 2.3 are not filled up.</i>
2.2. Is the legal act in compliance with the Stabilisation and Association Agreement provisions <input type="checkbox"/> Yes <input type="checkbox"/> No
2.3. Reasons for non-fulfilment or partial fulfilment of the obligations arising from the above mentioned Agreement provisions <i>If the obligation is not fulfilled or is partly fulfilled, the body preparing the act is bound to state the reasons regardless of their economic, financial, social or other character. At the same time, the body is to invoke to a certain evaluation analysis of the influence, study or some other document. Also, the deadline for fulfilling the obligation completely is to be stated.</i>

<b>3. Compliance with the sources of the European Union law</b>
3.1 Level of compliance with the secondary sources of EU law <i>The secondary sources of the EU law related to the normative contents of the draft act (CELEX number only) and the level of compliance they have with the draft act, at the level of an act. The title of the act and the level of compliance at the level of a provision are to be inserted into the table of concordance (3.5.) The secondary sources of the EU law are acts consisted of binding legislation (regulations, directives, decisions) and non-binding (recommendations, opinions). The legislation harmonisation is made in accordance to the binding acts and the non-binding acts are taken into consideration.</i>
<ol style="list-style-type: none"> <li>1. 'full compliance' – the draft act is in compliance with the provisions from sources of the EU law and harmonised with every principle arising from those provisions or transposes every provision from sources of the EU law</li> <li>2. 'partial compliance' - the draft act is in compliance with the provisions from sources of the EU law but is harmonised only with specific, most important principles arising from those provisions and therefore, is not fully compliant with the provisions from sources of the EU law</li> <li>3. 'non-compliance' - the draft act is not in compliance i.e. is contrary to the provisions from sources of the EU law</li> </ol>

<i>The detailed analysis of the compliance is provided in the table of concordance.</i>			
EU act (CELEX No.)	<input type="checkbox"/> full compliance	<input type="checkbox"/> partial compliance	<input type="checkbox"/> non-compliance
EU act (CELEX No.)	<input type="checkbox"/> full compliance	<input type="checkbox"/> partial compliance	<input type="checkbox"/> non-compliance
3.2. Level of compliance with other sources of EU law (primary legislation, case law of the European Court of Justice etc.)			
<i>The provisions from the founding treaties of the European communities related to the normative contents of the draft act and the level of compliance of the draft act with the provisions stated. The relevant judgements of the European Court of Justice, related to the normative contents of the draft act are also being indicated).</i>			
3.3. Reasons for partial compliance or non-compliance			
<i>If the draft act is not complied or is partly complied with the sources of the EU law, the body preparing the act is bound to state the reasons regardless of their economic, financial, social or other character. At the same time, the body is to invoke to a certain realisation analysis, study or some other document instead of stating the reason in general.</i>			
3.4. Deadline for achieving full compliance of the draft act with the European Union legislation			
<i>In case of partial compliance or non-compliance, the body preparing the act is to state the deadline planned for achieving full compliance and whether this is foreseen in the National Programme for Adoption of the Acquis or some other document.</i>			
3.5. Table of concordance (annex)			
<i>Tables of concordance of forms MK-EU and EU-MK are prepared. The MK-EU form begins with the national act where transposition occurred and the EU-MK form with the EU act transposing. Detailed guidelines are given in the tables of concordance annexed hereto.</i>			

<b>4. Translation of sources of the EU law and the legal act</b>		
4.1. Are the abovementioned sources of EU law translated into Macedonian?		
<i>To be noted whether the sources of the EU law (secondary and other sources) by which the harmonisation if the draft act is taking place, are translated into Macedonian and what is the version that has been used. The translation versions shall be named accordingly:</i>		
CELEX No. _MK1 – first translation and editing		
CELEX No. _MK2 – language revision in the SEA included		
CELEX No. _MK3 – expert and legal revision included		
CELEX No. _MK4 – final translation		
<i>If SEA is not a source of the translated version, the translation is to be delivered to the Secretariat for European Affairs obligatorily.</i>		
<input type="checkbox"/> Yes	MK Version	<input type="checkbox"/> No
4.2. Availability of the translated version of the EU act		
<i>To state the internet address whereby the translation is being available. If the body proposing the act does not have the possibility to put it on its web site, it should send the translated version to the SEA in order to be put on the SEA web site.</i>		
4.3. Is the draft act translated into English?		
<i>To state whether the draft act is translated into English or other EU language and to be submitted to the Secretariat for European Affairs obligatorily, if SEA is not the source of the translated version.</i>		
<input type="checkbox"/> Yes		<input type="checkbox"/> No
4.4. Is the draft act translated into other EU language?		
<input type="checkbox"/> Yes		<input type="checkbox"/> No
4.5. Availability of the translated version of the act		
<i>To state the internet address whereby the translation is being available. If the body proposing the act does not have the possibility to put it on its web site, it should send the translated version to the SEA in order to be put on</i>		

the SEA web site.

**5. Expert opinion and assistance**

**(EC, CARDS, IPA, TAIEX, SIGMA, Member State, Council of Europe, local experts)**

5.1. Participation of technical assistance and consultants during the elaboration of the draft act

*To state if local or foreign consultants participated in the preparation of the draft act and to give data on the name and number of the project and name and profile of the consultants.*

5.2. Opinion upon the compliance of the act

*To state the name of the organisation and the experts providing opinion and to briefly summarize the contents of the opinion provided. The opinion annexed to be submitted to the SEA obligatorily.*

**Head of the responsible sector**

Name and surname:

Title and position held:

Please select a title

Signature:

Date:

**Minister**

Name and surname:

Signature:

Date:

### 3.5. TABLE OF CONCORDANCE

#### MK – EU Form

Title of the national act where transposition occurred (number of article)	Contents of the provision of the national act where transposition occurred	EU act CELEX No	Title of the EU act transposing (number of article)	Contents of the provision of the EU act transposing	Comment	Evaluation of the compliance level	Responsible body/institution
The complete title of the national legal act where transposition of the EU legal act occurred and its provisions (article, paragraph, point/indent etc.)	The full contents of the provision of the national legal act (article, paragraph, point/indent etc.) where transposition occurred	The CELEX number of the EU act only	The complete title of the EU legal act transposing in the national legal act and its provision (article, paragraph, point/indent etc.)	The full contents of the provision of the EU legal act (article, paragraph, point/indent etc.) transposing	If necessary, additional information regarding transposition or, where necessary, these may be put in a separate document (to be indicated in the column). This may be information explaining the method	Evaluation on the level of compliance – full, partial or non-compliance	The bodies/institutions competent for enforcement of the national legal act, by articles

#### EU – MK Form

EU act CELEX No	Title of the EU act (number of article)	Contents of the provision of the national act where transposition occurred	Title of the national act where transposition occurred (number of article)	Contents of the provision of the national act where transposition occurred	Comment	Evaluation of the compliance level	Responsible body/institution
The CELEX number of the EU act only	The complete title of the EU legal act transposing in the national legal act and its provision (article, paragraph, point/indent etc.)	The full contents of the provision of the EU legal act (article, paragraph, point/indent etc.) transposing	The complete title of the national legal act where transposition of the EU legal act occurred and its provisions (article, paragraph, point/indent etc.)	The full contents of the provision of the national legal act (article, paragraph, point/indent etc.) where transposition occurred	If necessary, additional information regarding transposition or, where necessary, these may be put in a separate document (to be indicated in the column). This may be information explaining the method	Evaluation on the level of compliance – full, partial or non-compliance	The bodies/institutions competent for enforcement of the national legal act, by articles

Done by:

Head of the responsible sector

Minister



Name and surname:	Name and surname:	Name and surname:	Name and surname:
Title and position held:	Title and position held:	Please select a title	Please select a title
Signature:	Signature:	Signature:	Signature:
Date:	Date:	Date:	Date:

**OPINION GIVEN BY THE SECRETARIAT FOR LEGISLATION ON THE STATEMENT OF COMPLIANCE WITH TABLE OF CONCORDANCE OF THE ACT  
(NAME, EPP NUMBER)**

The Secretariat for Legislation has considered the statement of compliance and issues the following opinion:

<b>Regarding points 2. and 3. of the Statement, including the Table of concordance, the Secretariat for Legislation:</b>	
a) fully complies	<input type="checkbox"/>
b) partially complies and gives the following comments:	
<input type="checkbox"/> estimates that the level of compliance of the EU act is not properly consisted, due to the following reasons:	
<b>Opinion prepared by:</b>	
Name and surname:	<b>Secretary of the Secretariat for Legislation</b>
Title and position held:	Name and surname:
Signature:	Signature:
Date:	Date: