



Memorandum on a Management Organisation Unit to be attached to  
the CSF Monitoring Committee<sup>1</sup>

### The need

The successful implementation of the 1994-99 CSF on behalf of the Ministry of National Economy depends primarily on :

- achieving a rapid acceleration of the rate of public and private investment,
- coordinating widely different types of projects some of which have a strongly innovative character,
- upgrading its monitoring capacity to the level of strategic management.

On the other hand, in common with the rest of the central public administration, it faces serious inflexibilities in its organisational structure coupled with insufficient management know-how and instruments. An across-the-border reform of civil service structure is an arduous task that the Government deems of paramount importance; specific operational programmes, included in the CSF, are targeted on exactly this. Nonetheless, the time-span needed for the results of this reform to ~~be~~ become effective exceeds by far the urgent needs for CSF implementation identified above.

For this reason, it is proposed that a special CSF Management Organisation Unit MOU be created under the guidance and control of the Ministry of National Economy, but external to its civil service structure.

### The status

The legal status of the Unit must be such that, although it avoids the administrative and economic constraints characterising the Greek civil service, it maintains and enhances the supervisory and coordinating role of the Ministry of National Economy.

In order to ensure the MOU is flexible and operational it should not be subject to the rigid procedures applicable to public finances nor to the normal rules covering the attribution of public works and studies. However, besides being overseen by the Ministry and the CSF Monitoring Committee, a strict and regular control of the MOU should be carried out in the form of an audit by an accounting firm of international repute.

<sup>1</sup>This memorandum may need to be extended to cover some details on the setting up of agencies for the implementation of large projects to the extent they are not included in the CSF

The MOU should be able to attract highly qualified staff from both the private and public sector by offering a competitive package of remuneration and quality of work-conditions. Such staff should be chosen by open competition based purely on their technocratic ability.

Staff members shall be kept to the minimum by orienting the Unit's work to complement and not substitute civil-service tasks and by concentrating its efforts to priority areas of highest value-added. All its staff should serve on fixed-term contracts renewable under objective evaluation procedures. Moreover, it should achieve the right balance between a political and technocratic character so as to maintain direct access to information held at different administrative levels (for example, the Chairperson of the Unit - who would, of course, have to be particularly capable in order to take on such a challenge - could be of political origin whereas the Managing Director would be chosen on purely technocratic grounds). The Unit's ability to achieve a climate of confidence and cooperation with political authorities and a recognition of its role by the civil service will be critical to its success.

### The tasks

Although it is not possible to anticipate the full range of management needs that the implementation of the CSF will face throughout the six-year period, current experience is sufficient to prescribe the basic role of the MOU.

This role should cover four distinct categories of management needs :

i) The current "financial flows" information system which has been satisfactorily operating in the Ministry of National Economy will be complemented with a "physical implementation" information system. Using the latest available computer technology a relational data base will be created to which local terminals, established in each Monitoring Committee, will be linked. Implementation progress based on "Critical Path" and similar methodologies will be monitored by a network of "local correspondents" and fed into the management information system. The system will be geared to providing a reliable early-warning facility at various levels of aggregation. A first task of the MOU is to provide management information systems expertise so as to secure an uninterrupted, reliable and standardised flow of data into the system. Of prime importance in ensuring the operation of such a system is the production of reliable data on which it feeds within each implementing agency responsible for an operational programme.

The MOU will also have the highly important task to analyse and report on the findings of this monitoring exercise in good time and in sufficient detail so that corrective action may be undertaken by the Ministry of National Economy and other programme implementing authorities.

ii) The MOU should create a know-how nucleus to resolve some well-known management weaknesses related to the implementation of the CSF. This function will meet CSF horizontal needs primarily in quality control (for studies and works),

project cost assessment, time planning, E.U. legal administrative requirements (e.g. environment protection, public procurement) and in other fields of the CSF where common weaknesses are deemed to exist and where economies of scale exist if centrally attacked. Manuals, seminars and hands - on experts will be made available to programme implementing authorities upon demand.

iii) The MOU should be responsible for selecting, hiring and placing at the disposal of implementing authorities (particularly in multi-faceted programmes) tailor-made teams of experts, based on a diagnosis of the needs of the requesting authorities and agreed by it, capable of covering specific know-how gaps for the successful implementation of innovative projects or generally projects exceeding the technical and administrative capacity of implementing authorities.

Ad hoc recruitment of administrative support with technical assistance funds for implementing authorities outside this system should be kept to a strict minimum in circumstances to be decided by the CSF Monitoring Committee.

iv) Where there is successful experience of reforms implemented in the framework of the CSF, the MOU will diffuse information on these experiences amongst all relevant programme implementing bodies. It may also be associated with a wider diffusion of experience and promotion of reforms in the framework of the Programme of Public Administration.

#### **Timetable and cost**

The MOU should become operational on 1 January 1995 at the latest in accordance with a timetable to be set up and agreed at the first meeting of the CSF Monitoring Committee. Meanwhile existing mechanisms of assisting programme implementation and, in particular, programme management will continue sufficiently long in order to allow a smooth transition to the new MOU system.

At this stage it is too early to provide even a rough breakdown of set-up and operational costs for the MOU which it is intended to finance from the technical assistance budget of the CSF. Funding of any expert teams provided by MOU to implementing authorities will be charged to the technical assistance budget of the operational programme in question. The remainder of the activities will be funded under a specific central technical assistance programme. All activities will be monitored by a special widely-based monitoring committee set up for the purpose.

The MOU will be responsible for paying expert teams installed in implementing authorities and will control and ensure high quality levels of performance on their part.