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The Principles of Public Administration

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Aim and focus of the Principles of Public Administration

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Aim and focus of Principles

- SIGMA has worked with EU accession countries for over 20 years, including CEE countries which are now EU member states, contributing valuable reform experience
- The Principles comprise only **key requirements and criteria** in line with European values for EU candidate countries and potential candidates – Western Balkans and Turkey
- Derived from EU *acquis*, international standards and requirements, and good practice in EU/OECD countries, the Principles enable **benchmarking of performance** and provide a **guide for countries** in their reform processes

Development of the Principles

- Work on development of the framework started a year ago
- During 2014 annual assessments SIGMA tested draft Principles and monitoring framework
- SIGMA 2014 assessments and recommendations for countries' reform priorities can be found on our website:
<http://www.sigmaweb.org/publications/public-governance-assessment-reports.htm>
- Since then, further consolidation and adjustment of the Principles
- EC Enlargement package introduced reinforced approach to public administration reform:
http://ec.europa.eu/enlargement/pdf/key_documents/2014/20141008-strategy-paper_en.pdf

Overall framework

- Strategic framework for public administration reform
- Policy development and co-ordination
- Public service and human resource management
- Accountability
- Service delivery
- Public financial management (including public procurement)

Overall framework

- **19 key requirements** outline general characteristics of good public administration
- **48 Principles** grouped under key requirements focus on:
 - Implementation
 - Evidence-based monitoring
 - Performance of the system in practice
- **Sub-principles** then define more precisely which components need to be in place
- **Analytical framework** describes how application of the Principles can be followed and measured

Implementation of reforms

- **The Principles of Public Administration are for you to use - the level of a country's commitment determines the success of its public administration reforms**
- Final destination is good public administration that achieves Government's objectives and delivers for citizens but **priorities for your country will vary over time**, depending on previous reform record and specific challenges



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Introduction to the Principles of Public Administration

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The strategic framework for Public Administration Reform

Key requirement: The leadership of public administration reform is established and the strategic framework provides the basis for implementing prioritised and sequenced reform activities aligned with the Government's financial circumstances.

- Principle 1: The Government has developed and enacted an effective public administration reform agenda which addresses key challenges.
- Principle 2: Public administration reform is purposefully implemented; reform outcome targets are set and regularly monitored.
- Principle 3: Financial sustainability of public administration reform is ensured.

Key requirement: Public administration reform management enables guiding and steering the reform, determines the accountability for implementation and ensures the professional administration needed for reform implementation.

- Principle 4: Public administration reform has robust and functioning co-ordination structures at both political and administrative level to steer and manage the reform design and implementation process.
- Principle 5: One leading institution has responsibility and capacity to manage the reform process, involved institutions have clear accountability and reform implementation capacity.

Policy development and co-ordination

Key requirement: Centre of government institutions ensure a well-organised competent policy making system.

- Principle 1: Centre of government institutions fulfil all functions critical to a well-organised, consistent and competent policy making system.
- Principle 2: Clear horizontal procedures for governing a national European Integration process are established and enforced under the co-ordination of the responsible body.

Key requirement: Policy planning is harmonised, aligned with the Government's financial circumstances and ensures the Government is able to achieve its objectives.

- Principle 3: Harmonised medium-term policy planning, with clear whole-of-government objectives, exists and is aligned with the financial circumstances of the Government; sector policies meet Government objectives and are consistent with the Medium-Term Budgetary Framework.
- Principle 4: A harmonised medium-term planning system for all processes relevant to European Integration exists and is integrated into domestic policy planning.
- Principle 5: Regular monitoring of the Government's performance enables public scrutiny and ensures that the Government is able to achieve its objectives.

Key requirement: Government decisions and legislation are transparent, legally compliant and accessible to the public. Work of the Government is scrutinised by the Parliament.

- Principle 6: Government decisions are prepared in a transparent manner and based on professional judgment of the administration; the legal conformity of the decisions is ensured.
- Principle 7: The Parliament scrutinises government policy making.

Policy development and co-ordination – cont'd

Key requirement: Inclusive, evidence-based policy and legislative development enables the achievement of intended policy objectives.

- Principle 8: The organisational structure, procedures and staff allocation of the ministries ensure that developed policies and legislation are implementable and meet the Government's objectives.
- Principle 9: European integration procedures and institutional set-up form an integral part of the policy development process and ensure systematic and timely transposition of the *acquis*.
- Principle 10: The policy making and legal drafting process is evidence-based and usage of impact assessment is regular practice across ministries.
- Principle 11: Policies and legislation are designed in an inclusive manner that enables the active participation of society and allows for co-ordination of perspectives within the Government.
- Principle 12: Legislation is consistent in structure, style, and language; legal drafting requirements are applied consistently across ministries; legislation is made publicly available.

Public service and human resource management

Key requirement: The scope of public service is clearly defined and applied in practice; policy, legal framework and institutional set-up for professional public service is in place.

- Principle 1: The scope of public service is adequate, clearly defined and applied in practice.
- Principle 2: The policy and legal framework for a professional and coherent public service are established and applied in practice; the institutional set-up enables consistent and effective human resource management practices across the public service.

Key requirement: Professionalism of public service is ensured by good managerial standards and practices of human resource management.

- Principle 3: The recruitment of public servants is based on merit and equal treatment in all its phases; the demotion and termination of public servants is explicitly established in law based on objective criteria.
- Principle 4: The senior civil service is established; direct or indirect political influence on senior managerial positions in the public service is prevented.
- Principle 5: the remuneration system of public servants is based on the job classification, is fair and transparent.
- Principle 6: The professional development of public servants is ensured, including regular training, fair performance appraisal and mobility, and promotion based on objective and transparent criteria and merit.
- Principle 7: Measures for promoting integrity and preventing corruption and ensuring discipline in the public service are in place.

Accountability

Key requirement: Proper mechanisms are in place to ensure accountability of state administration bodies that also include their liability and transparency.

- Principle 1: The overall organisation of central government is rational, following adequate policies and regulations and it provides for proper internal, political, judicial, social and independent accountability.
- Principle 2: Public authorities assume liability in cases of wrongdoing and guarantee redress and/or adequate compensation.
- Principle 3: The right to access public information is enacted in legislation and consistently applied in practice.
- Principle 4: There are functioning mechanisms in place to protect both the rights of the individual to good administration and the public interest.
- Principle 5: Fair treatment in administrative disputes is guaranteed by internal administrative appeals and judicial reviews.

Service delivery

Key requirement: Administration is citizen-oriented; quality and accessibility of public services is ensured.

- Principle 1: Policy for citizen-oriented state administration is in place and applied.
- Principle 2: Good administration is a key policy objective underpinning the delivery of public services, enacted in legislation and applied consistently in practice.
- Principle 3: Mechanisms for promoting quality of public services are in place.
- Principle 4: Accessibility of public services is ensured through various available service delivery channels.

Public financial management

Key requirement: The Budget is formulated in compliance with transparent legal provisions and within an overall multi-annual framework, ensuring that the general government budget balance and the debt-to-gross domestic product ratio are on a sustainable path.

- Principle 1: The Government publishes a Medium-term Budgetary Framework on a general government basis, which is founded on credible forecasts, covers a minimum time horizon of three years, and all budget organisations operate within it.
- Principle 2: The Budget is formulated in line with the national legal framework, with comprehensive spending appropriations that are consistent with the Medium-term Budgetary Framework and are adhered to.

Key requirement: Accounting and reporting practices ensure transparency and public scrutiny over public finances, and both cash and debt are managed centrally in line with legal provisions.

- Principle 3: The Ministry of Finance, or authorised central treasury authority, centrally controls disbursement of funds from the treasury single account and ensures cash liquidity.
- Principle 4: There is a clear debt management strategy in place and implemented so that the country's overall debt target is respected and debt servicing costs are kept under control.
- Principle 5: Budget transparency and scrutiny are ensured.

Public financial management - cont'd.

Key requirement: National Financial Management and Control policy is in line with the requirements of Chapter 32 of EU accession negotiations and is systematically implemented throughout the public sector.

- Principle 6: The operational framework for financial management and control defines responsibilities and powers, and its application by the budget organisations is consistent with the legislation governing public financial management and public administration in general.
- Principle 7: Each public organisation implements financial management and control in line with the overall Financial Management Control policy documents.

Key requirement: The internal audit function is established throughout the public sector and internal audit work is carried out according to international standards.

- Principle 8: The operational framework for internal audit reflects international standards and its application by the budget organisations is consistent with the legislation governing public administration and public financial management in general.
- Principle 9: Each public organisation implements internal audit in line with the overall internal audit policy documents as appropriate to the organisation.

Public financial management - cont'd

Key requirement: Public procurement is regulated by duly enforced policies and procedures that reflect the principles of Treaty on the functioning of the European Union and the European Union *acquis* and are supported by suitably competent and adequately resourced institutions.

- Principle 10: Public procurement regulations (including public-private partnerships and concessions) are aligned with the *acquis*, include additional areas not covered by the *acquis*, are harmonised with corresponding regulations in other fields, and are duly enforced.
- Principle 11: There is central institutional and administrative capacity to develop, implement and monitor procurement policy effectively and efficiently.

Key requirement: In case of alleged breaches of procurement rules, aggrieved parties have access to justice through an independent, transparent, effective and efficient remedies system.

- Principle 12: The remedies system is aligned with *acquis* standards of independence, probity and transparency and provides for rapid and competent handling of complaints and sanctions.

Key requirement: Contracting authorities are adequately staffed and resourced and carry out their work in accordance with applicable regulations and recognised good practice, interacting with a supply market that is open and competitive.

- Principle 13: Public procurement operations comply with basic principles of equal treatment, non-discrimination, proportionality and transparency, while ensuring the most efficient use of public funds and making best use of modern procurement techniques and methods.
- Principle 14: Contracting authorities and entities have the appropriate capacities and practical guidelines and tools to ensure professional management of the full procurement cycle.

Public financial management - cont'd

Key requirement: The constitutional and legal framework guarantees the independence, mandate and organisation of the Supreme Audit Institution to perform its mandate autonomously according to the standards applied for its audit work, allowing for high-quality audits that impact on public sector functioning.

- Principle 15: The independence, mandate and organisation of the Supreme Audit Institution are established and protected by the constitutional and legal framework and are respected in practice.
- Principle 16: The Supreme Audit Institution applies standards in a neutral and objective manner to ensure high quality audits, which positively impact on the functioning of the public sector.



Reinforced approach to annual assessments and outcome of 2015 review

Piotr-Nils Gorecki, IPA Regional Liaison
OECD/SIGMA



Outline of monitoring process

- SIGMA annual assessments feed into EC Progress Reports and are also published separately
- In last two years, SIGMA has concentrated on analysing priority areas in each country
- SIGMA 2014 assessments and recommendations for reform priorities can be found on our website:
<http://www.sigmaweb.org/publications/public-governance-assessment-reports.htm>
- Launch of the Principles provides basis for reinforcement of the monitoring framework and SIGMA's annual assessment process

Outline of monitoring process – cont'd

- As requested by the EC, SIGMA will monitor application of the Principles, starting with baseline measurement in early 2015 to define where countries currently stand
- In 2015 we will concentrate mainly on setting baseline values for all indicators in the monitoring framework, covering all six areas of PAR
- Outcomes of 2015 review:
 - State of play and overview of main developments
 - Baseline values for indicators
 - Brief analysis on where the country stands against each Principle

Outline of monitoring progress – cont'd

- New focus and need for wider evidence base requires more from both SIGMA and national administrations
- In addition to co-ordinating institutions, other central government institutions have a key role in providing data and other necessary information
- We hope that results of our monitoring work will be useful also for countries in setting their reform vision and in developing and adjusting their reform plans



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Introduction to the monitoring framework

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Monitoring framework

A combination of quantitative and qualitative indicators, grouped under each key requirement

Requirement

Indicators

Qualitative

Policy planning is harmonised, aligned with the Government's financial circumstances and ensures the Government is able to achieve its objectives

The completeness of financial estimates in sector strategies.
The extent to which reporting provides information on the outcomes achieved.

Quantitative

The annual implementation backlog of planned commitments in central planning document(s).

The annual backlog in developing sectoral strategies.

The ratio between total funds estimated in sectoral strategies and the total funding identified for the corresponding sectors within the medium-term budgetary framework

The annual implementation backlog of European integration related commitments.

Policy development EXAMPLE

Using indicators

Quantitative indicators

- Compiled by SIGMA based on data and information collected from the governments
- Data from statistical offices

Qualitative indicators

- Used when quantitative indicators do not enable measurement of progress in a comprehensive way
- 0 to 5 scale, definitions of scales will be published together with the review report
- Indicators not only reflect the measurement but also provide an understanding for the country on what to do in order to progress

Examples of indicators

Strategic framework of public administration reform

Quantitative indicators

- Annual implementation backlog of public administration development activities and reforms.
- Share of fulfilled PAR objectives.
- Share of resourced and costed PAR measures.
- Ratio between planned PAR IPA funding in the IPA sectoral programme and national planning documents.
- Annual staff turnover in leading PAR unit.

Qualitative indicators

- Extent to which the scope of PAR central planning document(s) is complete.
- Extent to which a comprehensive PAR reporting and monitoring system is in place.
- Extent to which accountability over PAR functions is established.

Examples of indicators

Policy development and co-ordination

Quantitative indicators

- Annual implementation backlog of planned commitments in the central planning document(s).
- Ratio between total funds estimated in the sectoral strategies and total funding identified for the corresponding sectors within the medium-term budgetary framework.
- Number of laws with court rulings against the Government during the year.
- Backlog of transposition (ratio of transposition against planned commitments).
- Ratio of laws initiated by the Government and approved by the Parliament no later than one year after submission.

Qualitative indicators

- Proportion of critical centre of government functions that are fulfilled by the institutions.
- Completeness of financial estimates in sector strategies.
- Extent to which reporting provides information on the outcomes achieved.
- Extent to which the policy development process makes the best use of analytical tools.
- Extent to which public consultation is used in developing policies and legislation.

Examples of indicators

Public service and human resource development

Quantitative indicators

- Annual turnover of civil servants at the level of the central administration.
- Turnover of senior managerial civil servants at the level of the central administration within six months of a change of Government.
- Percentage of civil servants at the level of the central administration from different ethnic origins in relation to the general ethnic division in the country based on the latest census.
- Ratio of average annual compensation of central government senior public servants to compensation of tertiary-educated workers.
- Citizens' perception of the integrity and trustworthiness of the public service.

Qualitative indicators

- Extent to which the scope of public service is adequate, clearly defined and applied in practice.
- Extent to which recruitment is based on the merit principle in all its phases.
- Extent to which political influence on the recruitment and dismissal of senior managerial positions in the public service is prevented.
- Extent to which the remuneration system of public servants is fair and transparent and applied in practice.
- Extent to which the integrity and anti-corruption system of the public service is in place and applied in practice.

Examples of indicators

Accountability

Quantitative indicators

- Share of public information requests refused in a given year by the public authorities.
- Share of public authorities maintaining a document registry and database.
- Percentage of citizens who have trust in the Ombudsman institution(s).
- Share of oversight institutions' recommendations to state administrative bodies implemented within two years.
- Backlog of administrative cases.

Qualitative indicators

- Extent to which the overall structure of ministries and other bodies subordinated to central government is rational and coherent.
- Extent to which the right to access public information is enacted in legislation and applied in practice.
- Extent to which the mechanisms to provide effective checks and balances and controls over public organisations are in place.
- Extent to which public authorities assume liabilities and guarantee redress.

Examples of indicators

Public services

Quantitative indicators

- Expenditure on general public services as a share of gross domestic product.
- Percentage of users satisfied with public services.
- Share of institutions where customer satisfaction surveys are conducted on a regular basis (at least every two years).
- Number of one-stop-shops that provide services for more than three different public institutions.
- Share of institutions that are wheelchair-accessible.

Qualitative indicators

- Extent to which citizen-oriented policy for service delivery is in place and applied.
- Extent to which policy and administrative preconditions for e-service delivery are applied.
- Extent to which the legal framework for good administration is in place and consistently applied.

Examples of indicators

Public financial management

Quantitative indicators

- General government budget balance.
- Public sector debt servicing cost.
- Number of complaints in relation to the number of tender notices published.
- Share of contracts awarded by competitive procedures.
- Share of State Audit Institutions' audit recommendations accepted and implemented by auditees.

Qualitative indicators

- Fiscal rule strength index.
- Extent to which the annual financial report includes full information and is made available in time to the Parliament.
- Quality of internal audit reports.
- Extent to which public procurement legislation is complete and enforced.
- Extent to which the State Audit Institutions use the standards to ensure quality audit work.

Roles and responsibilities in conducting the country review

Organisation of the work and deadlines

- Development of data collection sheets and preparatory analysis – November
- Universal sheet is briefly introduced today and discussed in more detail with co-ordinating institution(s)
- Translated data collection sheet is sent out by SIGMA to the administration on 10 December
- Data collection to take place 10 December 2014 – 21 January 2015

Organisation of the work and deadlines

– cont'd

- Responding to data needs requires input from many institutions, including:
 - Institution responsible for co-ordinating Public Administration Reform
 - Office of the Prime Minister/Government Office
 - Ministry of Finance
 - Body responsible for European Integration
 - Ministry of Justice or Legal Secretariat
 - Supreme Audit Institution
 - Public Procurement bodies
 - Selected line ministries
 - Oversight institutions
 - Parliament administration
- Information gathering should be co-ordinated by the administration
 - SIGMA will appoint a local expert to liaise with the institution co-ordinating the information so that it can be gathered as smoothly as possible

Organisation of the work and deadlines – cont'd

- Analysis of legal framework – January 2015
- Analysis of info and data received – January/February 2015
- Fact checking and additional data gathering mission – February and early March 2015
- Drafting country review and setting baseline values for indicators – March 2015
- Fact checking, indicators check and follow-up on statistics – April 2015
- Submission to the EC – May 2015

**We look forward to working with
you to make this initiative a success
and for the Principles to work for
you!**