



The Principles of Public Administration:

A Framework for ENP Countries

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Table of contents

Introduction	2
1. Strategic Framework of Public Administration Reform	6
2. Policy Development and Co-ordination	9
3. Public Service and Human Resource Management	13
4. Accountability	17
5. Service Delivery	21
6. Public Financial Management	25
Endnotes	30
Read more about <i>The Principles of Public Administration: A Framework for ENP Countries</i>	31

Introduction

EUROPEAN NEIGHBOURHOOD POLICY AND PUBLIC ADMINISTRATION REFORM

The European Neighbourhood Policy (ENP) has been in place since 2004, aimed at supporting and fostering stability, security, prosperity and inclusive economic development in the countries closest to European Union (EU) borders. Through the ENP, the EU works with its southern¹ and eastern² neighbours to achieve a closer political association and a greater degree of economic integration, building on common interests and values — democracy, the rule of law, respect for human rights and social cohesion.

The review of the ENP by the European Commission in November 2015³, put forward a new approach in the way the EU and its neighbours can build more effective partnerships based on differentiation and greater mutual ownership. The new ENP recognises that not all partners aspire to EU rules and standards, and reflects the wishes of each country concerning the nature and focus of their partnership with the EU.

The communication about the ENP review outlined that an accountable public administration, both at central and local level, is key to democratic governance, as well as inclusive economic development. Public administration reform (PAR) to achieve this includes strengthening of democratic and independent institutions, developing local and regional authorities, depoliticising the civil service, developing e-government and increasing institutional transparency and accountability. The EU also offers to strengthen partners' capacities in policy development, service delivery and management of public finances, as well as to support the development of national parliaments.

The recognition of an accountable public administration as key to democratic governance and economic development is in line with the recently developed

UN Sustainable Development Goals⁴. Goal 16 refers to the promotion of peaceful and inclusive societies, the provision of access to justice for all, and building effective, accountable institutions at all levels. Furthermore, Goal 8 refers to the promotion of inclusive and sustainable economic growth, employment and decent work for all.

A well-functioning public administration has advantages and benefits both for individuals and the state. First, it enables governments to achieve their policy objectives and ensures proper implementation of political decisions and legal rules, and therefore promotes political efficiency and stability. On the contrary, poor public administration causes delays, inefficiency, uncertainty, corruption and other forms of maladministration, which lead to citizens' resentment, disappointment, resistance and protest against the state and its institutions. These undermine the legitimacy of the government and can lead to a failing state.

Second, the importance of public administration for the development of the economy is internationally acknowledged⁵. Together with appropriate legislation and an independent, well-functioning judiciary, an effective public administration constitutes the basis for the operation of the market. Investors assess risk by the chief criterion of predictability of administrative decisions, which depends on the stability of the political and institutional environment. Maladministration, in the form of administrative deficiencies and lengthy and unnecessarily complex administrative processes, obstructs economic initiatives of potential domestic and foreign investors, with a negative impact on employment and political stability.

THE PRINCIPLES OF PUBLIC ADMINISTRATION

PAR is based on internationally recognised good governance principles such as accountability, reliability, predictability, participation, openness, transparency, efficiency and effectiveness. These universal principles of good governance highlight that a well-functioning administration has a number of different dimensions: organisation and management of the civil service; policy development and co-ordination structures and procedures; accountability arrangements both between institutions and generally towards the citizens; the ability to efficiently deliver services to individuals and businesses, and the overall public financial management system.

The EC has therefore agreed a comprehensive definition of public administration which includes six core areas:

1. the strategic framework for public administration reform
2. policy development and co-ordination
3. public service and human resource management
4. accountability
5. service delivery
6. public financial management

SIGMA, in close co-operation with the EC, has defined in detail each of these six core areas in *The Principles of Public Administration: A Framework for ENP Countries*. These Principles aim to support the national authorities, the EC services and other donors to develop a shared understanding of what public administration reform entails and what countries could aim for with their administrative reforms, whether through comprehensive PAR programmes or only in one of the core areas of PAR. The Principles are also relevant in countries where a comprehensive reform is not yet feasible, but where certain aspects of PAR could be addressed through sectoral programmes.

The Principles have been developed primarily for policy makers, decision makers and practitioners designing and implementing reforms in their public administration. Through supporting different country needs, they should become a useful source of inspiration for those countries who want to adapt their administrative environment to the new needs of citizens and the economy, and to align governance practices with internationally recognised good governance principles and practice. They should also be helpful for the international donor community in developing projects aimed at strengthening the capacity of national administrations.

The Principles cover an area of the public sector referred to as the “state administration”, of which the two main elements are the “public administration” and the “state (national or central) level”. The Principles also cover independent constitutional bodies, the parliament and the judiciary (within the scope of their

scrutiny and oversight of the state administration). By analogy, many of the Principles also apply at the regional and local government level.

The Principles include 12 key requirements and 38 Principles that are further broken down into sub-principles. They are accompanied by a *Methodological Annex*. The Annex presents a methodological tool, which allows interested countries to evaluate their own current state of affairs in relation to some or all of *The Principles of Public Administration* and also to measure progress in the implementation of reforms over time. The methodological tool can be used with external expert support or to support self-assessment. However the tool is used, the collection of significant amounts of data and a strong analytical capacity to support robust evaluation are required to achieve rigorous and credible outcomes.

The methodological tool features both qualitative and quantitative indicators, and focuses on the implementation of reforms and how the administration performs in practice. It uses, where relevant, other internationally recognised indicators, for example indicators from the World Economic Forum and the World Bank. The indicators enable the measurement of progress, as well as provide information and input for the country on the steps that could be taken to further develop and improve the public administration.

As with *The Principles of Public Administration*, the methodological tool is flexible; a country may decide to use all or some of the indicators for an evaluation of its current situation. Since the framework enables analysis and tracking of progress in very specific fields, the institutions dealing with different aspects of the public administration can analyse the indicators relevant to their area(s) of responsibility.



The Principles cover key horizontal layers of the governance system, which determine the overall performance of the public administration:

1

Strategic Framework of Public Administration Reform

2

Policy Development and Co-ordination

3

Public Service and Human Resource Management

4

Accountability

5

Service Delivery

6

Public Financial Management

1

Strategic Framework of Public Administration Reform



Strategic Framework of Public Administration Reform

Achieving good public administration requires reforms in numerous, diverse policy areas and many organisations. When planned and implemented on a fragmented, *ad hoc* basis, reforms may not enhance the functioning of the public administration as expected. Achieving results requires the government to steer and co-ordinate implementation of an overall vision for reform and prioritised objectives. Therefore it is important to approach public administration reforms sequentially and to develop a reform agenda with a whole-of-government perspective.

PAR is one of the most important horizontal reform areas in any country, as it provides the framework and preconditions for implementing other policies. For example, a well-functioning administration enables

countries to achieve results in many areas, including education and internal security. Countries develop at different speeds and have different approaches to governance and implementation of public administration reforms. However, *The Principles of Public Administration: A Framework for ENP Countries* provide the basic building blocks of good public administration and are applicable to all countries.

Effective and clear leadership of reforms, well-functioning mechanisms for implementation, clear accountability lines and the financial sustainability of reforms are at the heart of a successful PAR strategy. They are critical in ensuring that a strategy is actually implemented and does not remain only on paper.

PRINCIPLES

PRINCIPLE 1:

An effective public administration reform agenda is developed which addresses key challenges and is systematically implemented and monitored.

PRINCIPLE 2:

The financial sustainability of public administration reform is ensured.

PRINCIPLE 3:

Institutions involved in public administration reform have clear responsibility for reform initiatives and the capacity to implement them.



QUANTITATIVE INDICATORS

- Ratio of central planning documents featuring PAR objectives and priorities in a uniform and coherent way.
- Percentage of fulfilled PAR objectives.
- Share of resourced and costed PAR measures.

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 for PAR functions is established.

2

Policy Development and Co-ordination



Policy Development and Co-ordination

Policy and legislation are central outputs of the political leadership and administration. The constitutional frameworks governing each country's political leadership vary and may include different combinations of monarch, president, prime minister and council of ministers. In all cases, it is critical that policy decisions are made in a co-ordinated manner, ensuring that outputs are consistent, predictable, and in line with the strategic objectives and resources of the state. For this reason, the political leadership needs administrative institutions that support the policy-development and decision-making systems. Policy development and co-ordination needs to be underpinned by arrangements and capacities for policy planning, development, co-ordination, implementation and monitoring that:

- Establish a policy framework that will help to ensure that individual policies are consistent with national goals and priorities;
- Provide the necessary capacity and procedures for advance planning of policy and legislative outputs;
- Provide institutional capacity for overview and co-ordination to ensure horizontal consistency among policies;
- Provide decision makers with advice that is based on clear definitions, evidence and good analysis of issues, and that contains explicit indications of possible inconsistencies and contradictions;
- Include consultative mechanisms to anticipate, detect and resolve policy conflicts early in the process and improve coherence;
- Include procedures to achieve effective reconciliation between policy priorities and budgetary imperatives;
- Include monitoring mechanisms to ensure that policies can be adjusted in the light of progress, new information and changing circumstances.

As a whole, the policy-making system needs to be well organised and to function in a competent manner. The central institutional set-up should include the centre of government⁶ and other bodies with horizontal responsibilities, such as the ministry of finance and the institution responsible for policy planning.

PRINCIPLE 1:

Medium-term policy planning is harmonised, with consistent system-wide objectives, and is aligned with the financial circumstances of the state; sector policies meet the overall objectives set by the leadership and are consistent with the medium-term budgetary framework.

PRINCIPLE 2:

Regular monitoring of performance against the plans enables public scrutiny and ensures the achievement of stated objectives.

PRINCIPLE 3:

Policy and legislative decisions are prepared in a transparent manner and based on the administration's professional judgement.

PRINCIPLE 4:

The parliament oversees government policy making.

PRINCIPLE 5:

The organisational structure, procedures and staff allocation of the responsible state institutions ensure the capacity to develop and implement policies and legislation that meet medium-term and annual objectives and plans.

PRINCIPLE 6:

The policy-making and legal-drafting process is evidence-based, and impact assessment is regularly used across ministries.

PRINCIPLE 7:

Policies and legislation are designed in an inclusive manner that enables the active participation of society and allows for co-ordinating perspectives within the administration.

PRINCIPLE 8:

Legislation is consistent in structure, style, and language; legal drafting requirements are applied consistently across ministries; legislation is made publicly available.



Examples of indicators

QUANTITATIVE INDICATORS

- Ratio of new laws amended within one year of their adoption.
- Annual implementation backlog of planned commitments in the central planning document(s).
- Annual backlog in developing sectoral strategies.
- Ratio of regular agenda items submitted on time by ministries to the council of ministers (or equivalent) session.

QUALITATIVE INDICATORS

- Extent to which policy development process makes the best use of analytical tools.
- Extent to which public consultation is used in developing policies and legislation.
- Extent to which primary and secondary legislation are made publicly available in a centralised manner.
- Completeness of financial estimates in sector strategies.
- Extent to which reporting provides information on the outcomes achieved.

3

Public Service and
Human Resource
Management



Public service is one of the key components of public administration. A well-designed and effectively-managed public service enables the state to reach adequate levels of professionalism, and sustainability and quality of public services, in all parts of the administration. This results in better policies and the provision of better services to citizens and businesses.

Modern public service is regarded as possible only when a set of conditions is in place that ensures:

- separation between the public and private spheres;
- separation between politics and administration;
- individual accountability of public servants;
- sufficient job protection, levels of pay and stability, and clearly defined rights and obligations for public servants;
- recruitment and promotion based on merit⁷.

Different approaches to the scope of the public service are possible. In countries which apply a broad concept of public services, these can encompass every public employee, whereas in countries with a restricted scope, the public service covers only the so-called “core public administration”, e.g. ministries, the foreign service, but also the administration of the parliament, the president and constitutional, independent bodies. In these Principles, SIGMA applies the narrow scope of public service that in many countries is described as civil service. The SIGMA Principles are not designed to apply, for example, to local government, although most of them would be relevant also at both regional and local government levels.

Regardless of the applied scope, in the public service, public interest should prevail over private interests. There should be a layer of administrative employees – professional civil servants – who are employed on merit and tasked with developing and implementing state policies, under the leadership of politicians but without their undue interference.

PRINCIPLE 1:

The policy and legal frameworks for a professional and coherent public service are in place; the institutional set-up enables consistent and effective human resource management practices across the public service.

PRINCIPLE 2:

The scope of public service is adequate and clearly defined.

PRINCIPLE 3:

The recruitment of public servants, including those holding senior managerial positions, is based on merit and equal treatment in all its phases; the criteria for demotion and termination are explicitly stipulated by law and limit discretion.

PRINCIPLE 4:

The remuneration system of public servants is based on the job classification; it is fair and transparent.

PRINCIPLE 5:

The professional development of public servants is ensured; this includes regular training, fair performance appraisal, and mobility and promotion based on objective and transparent criteria and merit.

PRINCIPLE 6:

Measures for promoting integrity, preventing corruption and ensuring discipline in the public service are in place.



Examples of indicators

QUANTITATIVE INDICATORS

- Annual turnover of civil servants at the level of the central administration.
- Number of candidates per vacancy at the level of central administration.
- Percentage of women in senior managerial positions in the civil service at the level of central administration.
- Citizens' perception of the integrity and trustworthiness of the public service.

QUALITATIVE INDICATORS

- Extent to which the scope of the public service is adequate, clearly defined and applied in practice.
- Extent to which recruitment of public servants is based on the merit principle in all its phases.
- Extent to which the remuneration system of public servants is fair and transparent.
- Extent to which an integrity system is in place and applied in practice in the public service.

4

Accountability



Accountability

It is commonly accepted that the organisation of a public administration has a deep impact on its overall performance and, hence, on its democratic legitimacy in relation to citizens' expectations.

The search for efficiency, the need for further specialisation, the constitutional and legal contexts and administrative tradition, the systems of control in place and the political circumstances all influence the organisational model adopted by each country. As a result, no single model exists regarding how public administration is structured and operates in different countries.

However, in relation to accountability (including organisational accountability), some conditions are generally deemed necessary to ensure that public administrations perform their functions properly and efficiently:

- Rationality – aiming at efficiency and coherence; avoiding overlaps between public institutions; establishing a balanced system of control.
- Transparency – ensuring clear and coherent organisation following common established types.
- Affordability – adapting size and costs to the country's needs and capacities.
- Accountability – ensuring that each part of an organisation is internally accountable and that the institution as a whole is externally accountable, to the political, judicial and social systems and oversight institutions; also providing wide access to public information.

Accountable institutions are also liable for the decisions and actions and should provide for a fair solution in cases of culpable breach of duty of their employees.

PRINCIPLE 1:

The overall organisation of central government is rational, follows adequate policies and regulations, and provides for appropriate independent accountability.

PRINCIPLE 2:

Functioning mechanisms are in place to protect both the rights of the individual to good administration and the public interest.

PRINCIPLE 3:

The right to access public information is enacted in legislation and consistently applied in practice.

PRINCIPLE 4:

Fair treatment in administrative disputes is guaranteed by internal administrative appeals and judicial reviews.

PRINCIPLE 5:

The public authorities assume liability in cases of culpable breach of duty of a public servant and guarantee redress and/or adequate compensation.



Examples of indicators

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).
- Percentage of citizens who have trust in the court system.
- 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 mechanisms are in place to provide effective checks and balances, and controls over public organisations.

5

Service Delivery



Good public administration is an essential component in promoting sustainable economic growth, development and well-being. Effective governance can greatly contribute to modernising economies, creating jobs and attracting investors. Administrative simplification leads to a less burdensome environment for economic growth, while modern service delivery methods, such as e-government solutions and one-stop shops, lead to improvement of administrative procedures and, therefore, less burden on individuals and businesses.

The basic principles for administrative law can be distinguished as follows:

- Reliability and predictability (legal certainty)
- Openness and transparency
- Accountability
- Efficiency and effectiveness⁸

Building on this, the aim of *The Principles of Public Administration: A Framework for ENP Countries* is to focus on service delivery by the public administration, especially on effectiveness, while ensuring the protection of individuals and enterprises during administrative proceedings.

Service delivery may be defined broadly as all contacts with the public administration during which customers (citizens, residents and enterprises) seek data, handle their affairs or are involved in a transactional relationship with the state at their own initiative. In this context, orientation towards customers needs to be understood as encompassing all such contacts and all tasks performed by the public administration that affect enterprises and individuals. This broad definition encompasses not only contacts between the central public administration and customers, but also the rules regulating those contacts, i.e. the administrative procedures.

PRINCIPLE 1:

Policy for service delivery-focused state administration is in place and applied.

PRINCIPLE 2:

Good administration is a key policy objective underpinning the delivery of public service, enacted in legislation and applied consistently in practice.

PRINCIPLE 3:

Mechanisms for ensuring the quality of public service are in place.

PRINCIPLE 4:

The accessibility of public services is ensured.



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).

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 applied.

6

Public Financial Management



The budget establishes the financial framework within which the government delivers its economic and social policy objectives for the benefit of its citizens. If the right choices are to be made and expenditure limits respected, robust public financial management (PFM) systems are essential for all elements of the budget cycle – from formulation to execution, including procurement, control and audit.

If countries are to achieve PFM systems centred on delivering results, reforms must take place sequentially, in a manner fitting each country's unique circumstances. There is no “one-size-fits-all” approach, but good PFM systems rest on certain basic principles and practices.

The Principles focus primarily on central government. Local self-government is only covered within general government data requirements for budgeting and reporting. Also, apart from the forecasting of total public revenues, the Principles focus on expenditure management. The focus is on overall PFM systems of the state but also on internal control arrangements within public organisations.

Public procurement is an integral part of good financial management. Its economic impact is both significant and highly visible. Also, as an area where risks of misspending, poor control and corruption are high, it can significantly influence the public's trust in government.

A public financial accountability system requires the independent and professional scrutiny of the executive's management of public funds. This requires the existence of a supreme audit institution with a solid basis in the constitution and functioning effectively, according to the International Organisation of Supreme Audit Institutions.

PRINCIPLE 1:

The government publishes a medium-term budgetary framework on a general government basis that is founded on credible forecasts and covers a minimum period of three years; all budget institutions 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 observed.

PRINCIPLE 3:

The central budget authority, or authorised 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.

PRINCIPLE 6:

The operational framework for internal control defines responsibilities and powers, and is implemented by general budget institutions in line with the overall internal control policy.

PRINCIPLE 7:

The operational framework for internal audit reflects international standards and is applied consistently by government institutions.

**PRINCIPLE 8:**

Public procurement regulations are aligned with internationally recognised principles of economy, efficiency, transparency, openness and accountability; there is central institutional and administrative capacity to develop, implement and monitor procurement policy effectively and efficiently.

PRINCIPLE 9:

The remedies system is aligned with applicable agreements and international regulations and with internationally recognised good practice of independence, probity and transparency and provides for rapid and competent handling of complaints and sanctions.

PRINCIPLE 10:

Public procurement operations comply with basic principles of equal treatment, non-discrimination, proportionality and transparency, and ensure the most efficient use of public funds; contracting authorities have appropriate capacities and use modern procurement techniques.

PRINCIPLE 11:

The independence, mandate and organisation of the supreme audit institution are established and protected by the constitutional and legal frameworks and are respected in practice.

PRINCIPLE 12:

The supreme audit institution applies standards in a neutral and objective manner to ensure high-quality audits, which positively impact on the governance and functioning of the public sector.



QUANTITATIVE INDICATORS

- General government budget balance.
- Public debt as a share of gross domestic product.
- Number of complaints in relation to the number of tender notices published.
- Share of contracts awarded by competitive procedures.
- Share of state audit institution's audit recommendations accepted and implemented by auditees.

QUALITATIVE INDICATORS

- Extent to which the annual budget proposal includes full information at the time of presentation to the parliament.
- 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 institution uses the International Standards for Supreme Audit Institutions to ensure quality of audit work.



1. Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestinian Authority*, Syria and Tunisia.
[*Footnote by the European External Action Service and the European Commission: this designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the European Union Member States on this issue.]
2. Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.
3. European Commission and the High Representative of the Union (2015), *Review of the European Neighbourhood Policy*.
4. United Nations (2015) *Sustainable Development Goals*.
5. OECD (2015) *Government at a Glance*, OECD Publishing. Also: World Public Sector Report 2015 of the United Nations Department of Economic and Social Affairs, <http://workspace.unpan.org/sites/Internet/Documents/UNPAN95253.pdf>
6. The term centre of government (CoG) refers to the administrative structure that serves the executive (the monarch, president or prime minister, and the cabinet collectively). The CoG has a great variety of names across countries, such as general secretariat, cabinet office, chancellery, office/ministry of the presidency, council of ministers office. In many countries, the CoG is made up of more than one unit, fulfilling different functions. For a more detailed description of the CoG, see OECD (2015), *Government at a Glance 2015*, OECD Publishing, Paris, p. 92.
7. SIGMA (1999), *European Principles for Public Administration*, SIGMA Papers, No. 27, OECD Publishing, Paris.
8. SIGMA (1999), *European Principles for Public Administration*, SIGMA Papers, No. 27, OECD Publishing, Paris.



Read more about *The Principles of Public Administration:
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The sub-principles specifying the requirements under each Principle are set out in the full version of *The Principles of Public Administration: A Framework for ENP Countries*, which is digitally available on the OECD/SIGMA website:

<http://www.sigmaweb.org/publications/principles-public-administration-european-neighbourhood-policy.htm>

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