



SIGMA
Creating Change Together



A joint initiative of the OECD and the EU,
principally financed by the EU

MONITORING REPORT **EXECUTIVE SUMMARY**

The **Principles** of **Public** **Administration**

KOSOVO*

**November
2021**

*This designation is without prejudice to positions on status and is in line with United Nations Security Council Resolution 1244/99 and the Advisory Opinion of the International Court of Justice on Kosovo's declaration of independence.

Monitoring Report Executive Summary

The Principles of Public Administration

KOSOVO

November 2021

This document has been produced with the financial assistance of the European Union (EU). It should not be reported as representing the official views of the EU, the OECD or its member countries, or of partners participating in the SIGMA Programme. The opinions expressed and arguments employed are those of the authors.

This document, as well as any data and any map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

© OECD 2021 – The use of this material, whether digital or print, is governed by the Terms and Conditions to be found on the OECD website page <http://www.oecd.org/termsandconditions>.

Table of contents

| | |
|--|----|
| Introduction..... | 2 |
| Methodology | 3 |
| Executive summary | 5 |
| Strategic Framework of Public Administration Reform..... | 9 |
| Policy Development and Co-ordination..... | 12 |
| Public Service and Human Resource Management..... | 17 |
| Accountability | 22 |
| Service Delivery..... | 26 |
| Public Financial Management..... | 31 |

Introduction

The Principles of Public Administration and the EU integration path – measuring the fundamentals

The *Principles of Public Administration*¹ set out what good public governance entails in practice and outline the main requirements to be followed by countries during the European Union (EU) integration process. Good public governance is key for achieving economic growth, competitiveness and better quality of life. Democratic governance and the rule of law require capable, accountable and effective public administrations. In its 2014 and 2018 Enlargement Strategies, the European Commission (EC) highlighted public administration reform (PAR) as one of three “fundamentals first” areas of the EU enlargement process: “Addressing reforms in the area of rule of law, fundamental rights and good governance remains the most pressing issue for the Western Balkans. It is also the key benchmark against which the prospects of these countries will be judged by the EU”².

A regional series, with a long-term perspective

This monitoring report assesses the state of play and progress in improving the quality of national public administrations. Given the geostrategic importance of the Western Balkans to the EU, and the ongoing accession negotiations, SIGMA (Support for Improvement in Governance and Management) conducts regular monitoring of the region. In 2017, SIGMA established a baseline in all areas of public administration. In 2019, monitoring was conducted against selected Principles. The full scope is covered again in this 2021 report, which compares performance against the 2017 baseline and regional averages. By analysing the long-term perspective, significant changes are identified.

The assessment period is from July 2017 to July 2021. The data collection period was February-May 2021. The COVID-19 pandemic was at its highest, so in-person meetings were replaced by virtual ones. National experts provided invaluable support during this period in securing the necessary data.

Structured to provide key insights and recommendations to decision makers and detailed performance data to practitioners

The structure of the report mirrors that of the Principles. Each Principle has a dedicated section for its associated indicator(s). An executive summary and summaries for each of the six thematic areas have been introduced to the 2021 report. The analytical findings and the short- to medium-term recommendations are developed to guide reform efforts and inform the policy dialogue and discussions between the EC and the Government.

SIGMA wishes to thank the Government for its collaboration in providing the necessary administrative data and documentation, as well as for its active engagement during the two rounds of validation to improve the factual accuracy of all the information used. The collaboration with the Regional Cooperation Council on the Balkan Barometer has been excellent. We also thank the experts from EU member countries who contributed to the report. Finally, the support of the EC is, as always, appreciated.

¹ OECD (2017), *The Principles of Public Administration*, OECD, Paris, <http://www.sigmaweb.org/publications/Principles-of-Public-Administration-2017-edition-ENG.pdf>.

² European Commission (2018), *A credible enlargement perspective for and enhanced EU engagement with the Western Balkans*, p. 4, [communication-credible-enlargement-perspective-western-balkans_en.pdf](https://ec.europa.eu/euipo/sites/default/files/2018-05/communication-credible-enlargement-perspective-western-balkans_en.pdf) (europa.eu)

Methodology

Overall approach – focus on implementation and outcomes, analysing a variety of primary data sources against precise criteria and benchmarks for an objective assessment

The *Methodological Framework for the Principles of Public Administration*³ contains a set of standard indicators that SIGMA applies consistently to measure the preconditions and enablers of successful reforms (good laws, policies and procedures, institutional structures, human resources) and the actual implementation of reforms and subsequent outcomes (how the administration performs in practice).

The overall approach recognises that no single measurement method can fully capture the complex issues related to organisational and behavioural change. SIGMA uses information from administrative data, surveys, statistics, interviews, etc., which is cross-checked and triangulated to arrive at a balanced assessment.

Data sources and validation

The main quantitative and qualitative methods applied in the framework are:

- Desk reviews of legislation, regulations, reports (most recent are analysed if adopted before July 2021)
- Interviews (conducted virtually March-May 2021 with 100+ interviewees per administration, including civil society)
- Review of cases and samples of government documentation (most recent are analysed)
- Observations of practice and on-site verification (conducted virtually March-May 2021 with national expert support)
- Analysis of administrative data from public registries and national statistics (most recent when possible, otherwise from 2020)
- Surveys of the population and businesses through the Balkan Barometer (conducted February-March 2021)⁴
- Surveys of 950 contracting authorities across the region (conducted February-April 2021).

Data was collected through SIGMA's tool for data collection, analysis and validation (PAR.IS). More than 10 000 documents were received regionally for analysis. In 2021, hundreds of government officials were provided direct access to SIGMA's detailed working sheets for calculation of numerical sub-indicator values and justifications for fulfilment of each of the criteria, in addition to fact-checking the draft monitoring reports. The monitoring reports only show the overall indicator values, but the detailed criteria-level analysis will be accessible in 2022 through a public portal.

Indicator values reflect the level of maturity and preparedness of administrations – from 0 to 5

The indicator values provide an indication of the administrative capacity and overall performance of national public administrations. This provides an indication of the capability to effectively implement the EU *acquis* and participate in the policy-making processes of the EU.

The point allocation is constructed so that a Kosovo can only receive an overall value of 2 on the basis of the quality of its legislative and regulatory framework; a value of 3 cannot be achieved without showing that implementation of key processes is happening in practice; and in order to obtain a value of 4, Kosovo

³ OECD (2019), *The Methodological Framework of the Principles of Public Administration*, OECD, Paris, <http://www.sigmaxweb.org/publications/Methodological-Framework-for-the-Principles-of-Public-Administration-May-2019.pdf>.

⁴ Regional Cooperation Council, <https://www.rcc.int/balkanbarometer/home>.

needs to show a consistent achievement of relevant outcomes. The value of 5 is reserved for outstanding performance and full compliance with the Principles and the standards for good public governance.

In 2021, averages of the indicator values have also been calculated for each of the six thematic areas of the Principles of Public Administration. This enables comparison of overall trends across the whole administration, over time, and across the region, as shown in the indicator comparison charts:

- 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.

Understanding how the indicator values are calculated

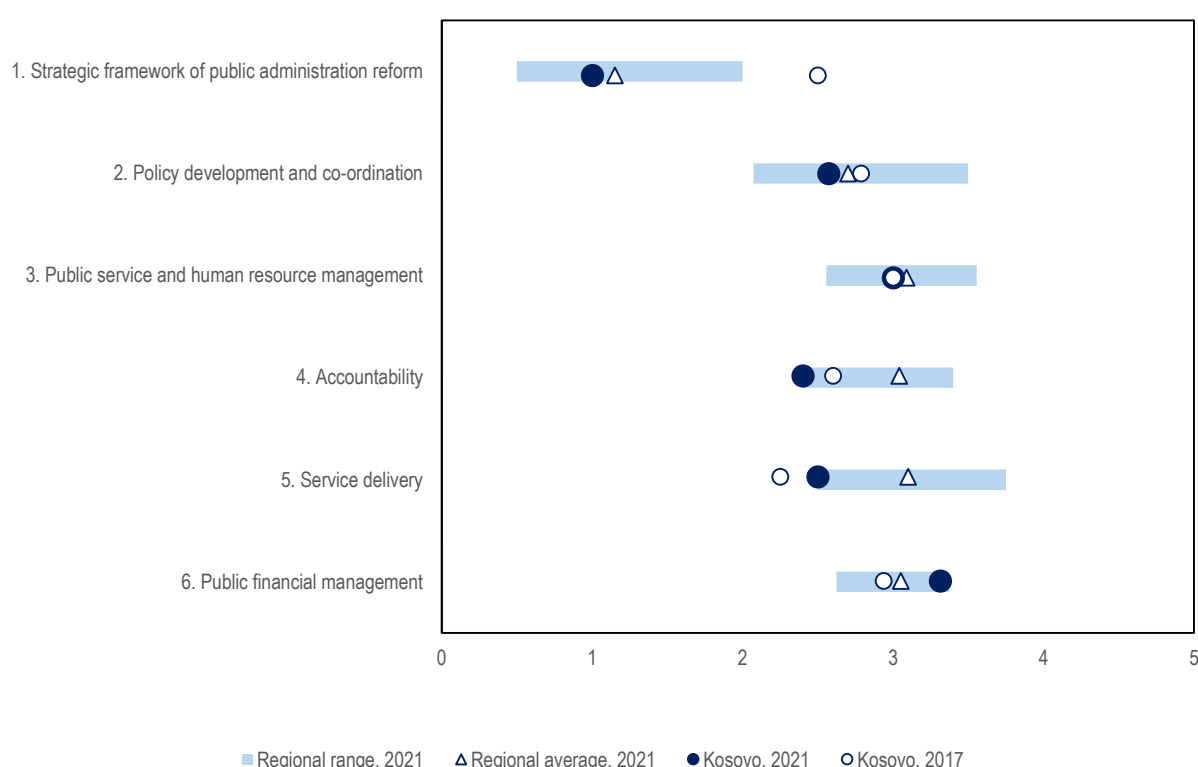
Across the six thematic areas, the framework is composed of 48 Principles. Each Principle has one or two indicators. There are 52 indicators in total, with 340 sub-indicators and 1 000 individual criteria. Indicator values are presented at the top of the overview tables, on a scale from 0 (lowest) to 5 (highest). The indicator value is based on the total number of points received for the sub-indicators. The point conversion tables are accessible in the Methodological Framework. A three-digit reference number precedes the titles of the indicators: the first number refers to the area, the second to the Principle and the third shows whether this is the first or second indicator belonging to that Principle.

If the required information to assess a sub-indicator is not available or is not provided by the administration, 0 points are awarded. All data requested is needed for a well-functioning public administration and SIGMA does not estimate performance in the absence of credible evidence.

Executive summary

Kosovo has been marked by both political uncertainty and the impact of the COVID-19 pandemic in recent years. Progress across all areas of public administration (PAR) has slowed since the previous assessments in 2017 and 2019. This is visible in the indicator values. In the areas of strategic framework of PAR, policy development and co-ordination and accountability, the average values for 2021 are below those for 2017. Service delivery improved slightly since 2017 but the value is low in comparison to other countries in the region. Kosovo remains one of the weakest performers in the Western Balkans, with only the value for public financial management (PFM) being above the regional average (3.3 as compared to 3.1 for the region).

Kosovo performs worse in 2021 than in 2017 in all areas except service delivery and PFM



The strategic framework of PAR needs to be streamlined and more operational

The framework for PAR in Kosovo is incomplete. The Public Finance Management Reform Programme expired in 2020 and has not been duly extended or replaced with a new plan. The Better Regulation Strategy does not have a valid action plan. The Public Administration Modernisation Strategy and the Strategy for Improving Policy Planning and Co-ordination are in force, but coming to an end in 2021. The implementation of PAR commitments from the four plans is low and has been in decline since 2018. Implementation of reforms relies heavily on donor support. Co-ordination of the reform agenda is functional at political level, but not at administrative level and non-governmental stakeholders are not involved in the monitoring process.

Policy development is poorly co-ordinated which leads to unrealistic plans

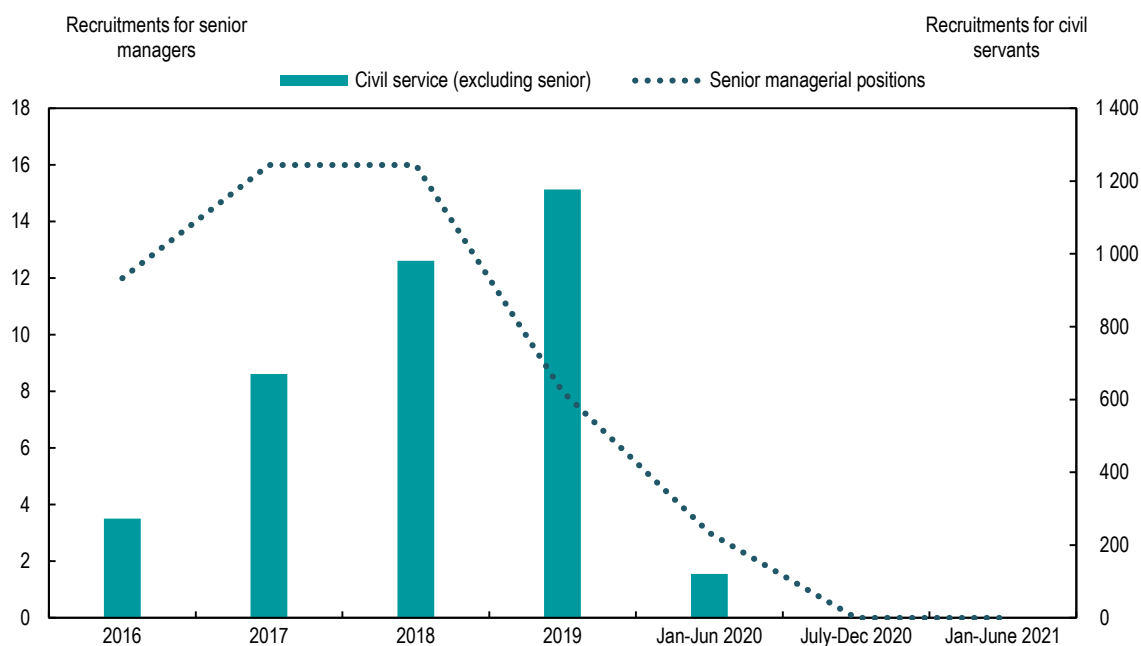
The main challenges with respect to policy development relate to weak co-ordination across institutions and across strategic documents, which means that policy planning is over-ambitious or unrealistic and leads to significant numbers of initiatives being carried over from one year to the next. The alignment between domestic policies and those relating to European Integration is also weak. Government activity

lacks transparency, particularly with respect to decision-making and reporting on progress. The Assembly currently plays a very limited role in reviewing the work of the Government. Overall, a more joined-up approach to policy development would make the policy process more efficient and open.

Human resource management (HRM) requires a major overhaul

The renewed and comprehensive legislative framework for the public service, aiming at creating a unified merit-based civil service system and establishing common principles of employment across the public sector, was adopted in 2019, but entered into force only partially and only in mid-2020. Although the majority of secondary legislation has been prepared, the actual implementation of the law is patchy, with, for example, no recruitment procedures launched in central administration since July 2020. The central HRM body, located in the Ministry of Internal Affairs, which is undergoing a long-running reorganisation, does not have sufficient capacities to fulfil its mission; moreover, it has significant problems with collecting basic data to report on the civil service. A new reform of the remuneration of civil servants needs to be prepared once again and take into account the Constitutional Court's guidance.

The problems in HRM are illustrated by the number of vacancies offered in external competitions for civil servants and for senior managerial positions before and after the entry into force of the LPO in June 2020



Source: Ministry of Public Administration, annual reports on civil service, <https://mpb.rks-qov.net/ap/page.aspx?id=1,140>, Ministry of Internal Affairs, DMPO data for 2020 and 2021.

Service delivery improvement lacks leadership and suffers from an implementation gap

The progress in the service delivery area came to a standstill, resulting in Kosovo demonstrating both slow progress and occasional regress in improving service delivery including the digital transformation, making it fall behind compared to the region. Incomplete and weak institutional set-up and a lack of strong leadership hinders the development and implementation of a comprehensive and co-ordinated service delivery policy. Despite progress with some important initiatives (Government Gateway, the Law on General Administrative Procedures, e-Kosovo portal), these are not sufficiently translated into improved service delivery for citizens and business, demonstrated by the deteriorating citizen and business perception of the quality of services. Important enablers, such as the digital signature and e-payment solutions are still not available and the one-stop shop programme is running far behind schedule. The progress in individual agencies on service improvement tends to be piecemeal rather than part of a comprehensive transformation of citizen-centric service delivery, with very limited use of quality management and user-engagement tools

Accountability, transparency and external oversight mechanisms have all been weakened

Many of the key mechanisms for citizens and businesses to hold the national administration to account for its actions have not improved or even deteriorated since 2017. Access to information has been severely affected by the long delay in appointing the Commissioner of Public Information, and the new legislation may not give the necessary supervisory powers to the newly created specialised agency. External oversight through the National Audit Office, Ombudsperson and the courts is also generally less effective, and public trust in these institutions has been falling to a very low level. Kosovo continues to have an extremely high backlog of administrative court cases. Finally, while the new Law on Organization and Functioning of State Administration and Independent Agencies laid strong foundations for better organisation of central government, the lack of implementation means that results-oriented governance of public agencies is still absent, and Kosovo still has the highest number of executive agencies subordinated to Parliament in the region. Delegation of decision-making has, however, improved.

PFM has been strengthened, though areas for improvement remain in financial management and audit

The budgetary framework has been strengthened and budget credibility has improved. However, some gaps do remain in the budget information. The credibility of the medium-term revenue and expenditure plans needs strengthening as significant deviations between the outturns and forecasts indicate challenges in estimating and collecting revenues. There have been improvements in the credibility of cash flow planning and public debt management practices and the level of public debt to gross domestic product (GDP) is relatively low risk at only 21.8% of GDP. There is frequent and comprehensive in-year reporting, and timely publication of annual financial statements. However, the monitoring of fiscal risks is weak and transparent reporting on the financial performance of state-owned enterprises needs to be addressed. The regulatory and operational frameworks for internal control (IC) and internal audit (IA) are largely established. However, there are significant challenges in the implementation of IC and managerial accountability, and there are still some significant IA capacity issues and areas for improvement.

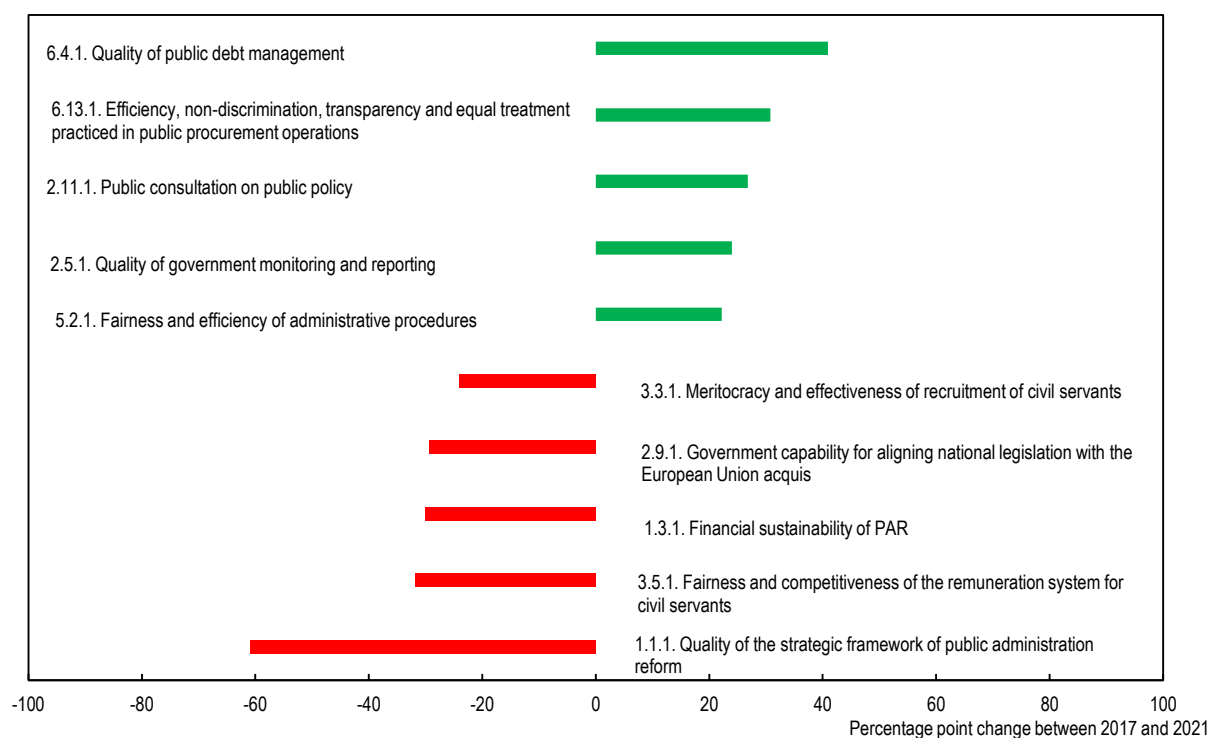
No specific progress related to the legal framework in public procurement has been registered since 2017. The introduction of 15% domestic preferential treatment affected the principles of equal treatment and non-discrimination and was not in line with the commitments in the Stabilisation and Association Agreement. An advanced e-procurement platform has been implemented, covering all the stages of the procurement process, including contract management. However, the main challenges in practice are linked to poor planning and cost estimations, systematic issues of artificial splitting of the contracts and the excessive use of the lowest-price criterion. There is a need to strengthen the administrative capacities of all the central institutions.

The independence and legislative framework of the National Audit Office (NAO) is aligned to international standards and is respected in practice. The implementation of International Standards of Supreme Audit Institutions by the NAO is also well progressed but there is still scope for further improvement. The NAO's audit reports are used by the Assembly to scrutinise the government. However, the implementation rate of the recommendations remains low, limiting the impact of the NAO.

The way forward for PAR:

- Restructure the PAR framework to make it more streamlined, operational and co-ordinated.
- Strengthen all aspects of public sector HRM to ensure that the civil service has the capacity to implement a reform agenda.
- Enhance managerial accountability in the public sector and move ahead with the rationalisation of agencies.
- Address issues of transparency and openness across several areas, ranging from access to information and communication of government decisions to parliamentary oversight, in order to strengthen public trust.

PFM indicators on debt management and procurement operations have increased most since 2017, whereas the quality of strategic framework and the remuneration system for civil servants have regressed most



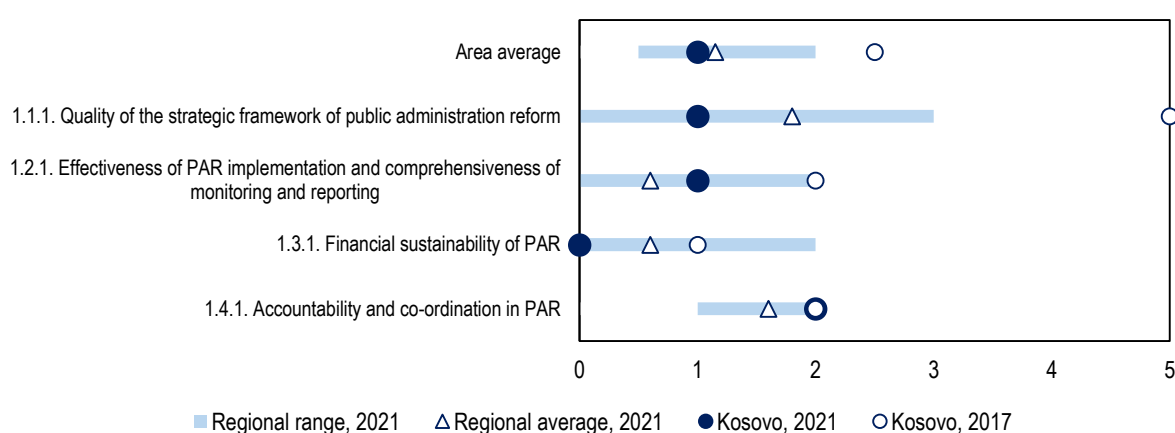
Strategic Framework of Public Administration Reform

Strategic Framework of Public Administration Reform

Summary and recommendations

As of the end of June 2021, the strategic framework of public administration reform (PAR) is only partially in place in Kosovo. The average indicator value for this area has decreased from 2.5 in 2017 to 1 in 2021. This is mainly due to the expiry of the Public Finance Management Reform Strategy (PFM Reform Strategy), which has not been extended by the Government or replaced with a new plan for reform, which means the strategic framework of PAR is incomplete.

Indicators have deteriorated as key PAR policies and action plans are not in place



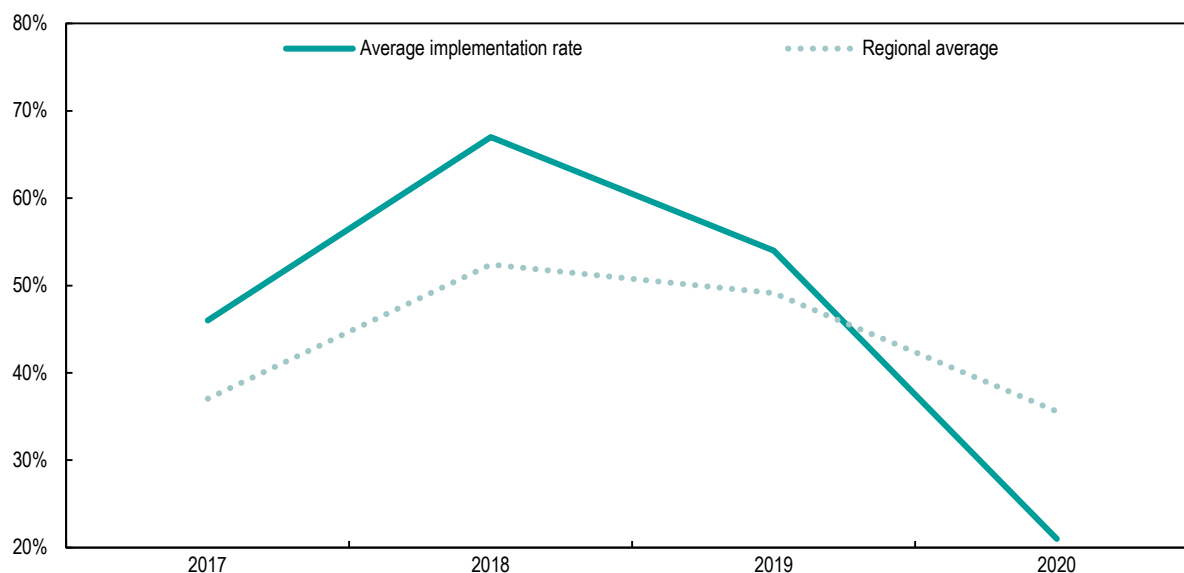
The Government has defined the strategic framework of PAR consisting of four strategies covering the five thematic areas of PAR, but only two of the strategic plans are in place. The Strategy for the Modernisation of Public Administration covers public service and human resource management (HRM) as well as accountability and service delivery. The Strategy for the Improvement of Policy Planning and Co-ordination covers one part of the policy development and co-ordination area. However, PFM is not covered by a duly adopted planning document following the expiry of the PFM Reform Strategy in 2020. In addition, one of the strategies in the area of policy development and co-ordination, the Better Regulation Strategy 2.0 (BRS), lacks a valid action plan for 2021. Therefore, the quality of the strategic framework of PAR cannot be comprehensively assessed. The Government's central planning documents recognise PAR as a priority, but the legislative commitments from PAR strategies are not consistently included to the legislative plans of the Government. Consultation with external stakeholders has not led to their genuine involvement in PAR planning.

A well-functioning monitoring and reporting framework is only partially in place, as the development of annual monitoring reports is inconsistent. The 2020 monitoring report on the PFM Reform Strategy has not been prepared by the time the data collection for this assessment was completed (July 2021), and none of the reports are publicly available. While outcome-level information is used for monitoring, detailed descriptions of the performance indicators are not fully in place. Reports are developed without the involvement of civil society organisations (CSOs). The overall implementation rate of reform activities and the fulfilment of reform objectives is low.

In the absence of valid planning documents for some aspects of PAR, the financial sustainability and quality of costing cannot be assessed. A review of the most expensive activities set out in the planning documents for 2020 revealed that, while funds are available for the donor-funded activities, budget allocations for activities to be financed from the state budget are less than the amounts estimated in the respective PAR plans. The implementation of PAR relies heavily on donor support.

Co-ordination of PAR is functional at the political level through the Ministerial Council for Public Administration Reform (MCPAR), but not at the administrative level. There are no active co-ordination bodies for individual PAR strategies at the administrative level other than for the PFM Reform Strategy. Non-governmental stakeholders are not involved in the established co-ordination structures. Assignment of managerial responsibility for reform activities is incomplete.

The implementation rate of PAR activities has been in decline since 2018



Source: Annual reports of PAR strategies.

Short-term recommendations (1-2 years)

- 1) The Government, under the institutional leadership of the Office of the Prime Minister (OPM), the Ministry of Finance (MoF) and the Ministry of Internal Affairs (MIA) should approve a new comprehensive strategic framework of PAR covering the period beyond 2022. The new framework should comply with all the domestic content-related and procedural requirements established for strategy development.
- 2) The Government should consider further reducing the number of PAR strategies to minimise the co-ordination and monitoring burden during implementation and free up capacity for actual implementation.
- 3) The Government should establish one fully functional administrative-level co-ordination body for monitoring and reporting on all PAR strategies, comprising senior-level representatives of all key implementing institutions.
- 4) The Government should include the representatives of non-governmental organisations in PAR co-ordination at both the political and administrative levels.
- 5) The MoF, in co-operation with the OPM and the MoI, should include in the Medium-term Expenditure Framework a clear reference to the total cost of the national PAR policy, including recurrent expenditures of the key institutions involved, on both an annual and medium-term basis. Regular financial monitoring of the strategic framework of PAR should be carried out to help ensure all planned activities are implemented smoothly.

Medium-term recommendations (3-5 years)

- 6) During the development of the next action plans under the strategic framework of PAR (those entering into force from 2024 and 2025), the Government should review the functioning of the strategic framework of PAR and its ability to address potential challenges, to ensure the achievement of final reform objectives and targets.
- 7) The Government should strengthen the financial planning for PAR and gradually increase the domestic funding for PAR to reduce overreliance on donor financing.

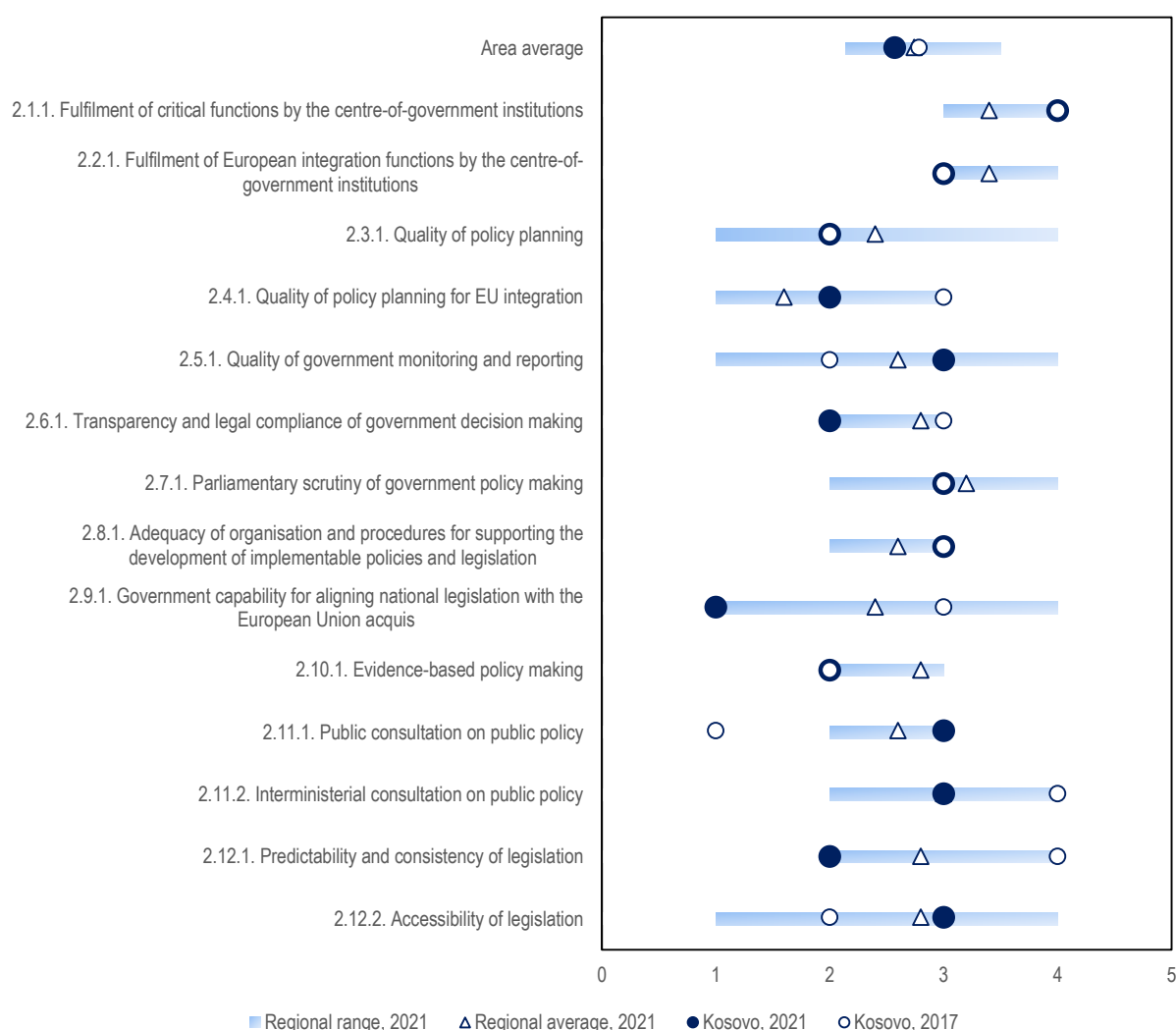
Policy Development and Co-ordination

Policy Development and Co-ordination

Summary and recommendations

The overall average indicator value for 2021 has decreased compared with the value in 2017 for the policy development and co-ordination area and is below the regional average. The legal and regulatory frameworks and rules of procedure for planning and policy co-ordination are largely in place, but both the implementation and the enforcement of procedures are inadequate. Particular attention is required to improve planning with respect to both domestic and European integration (EI)-related legislation to reduce the number of acts that are carried forward from one year to the next. While parliamentary elections had a negative impact on policy planning in general in 2020, the issues identified by the assessment are to a large extent systemic.

Progress visible in 2017 has not been sustained, and in some cases gains have been reversed



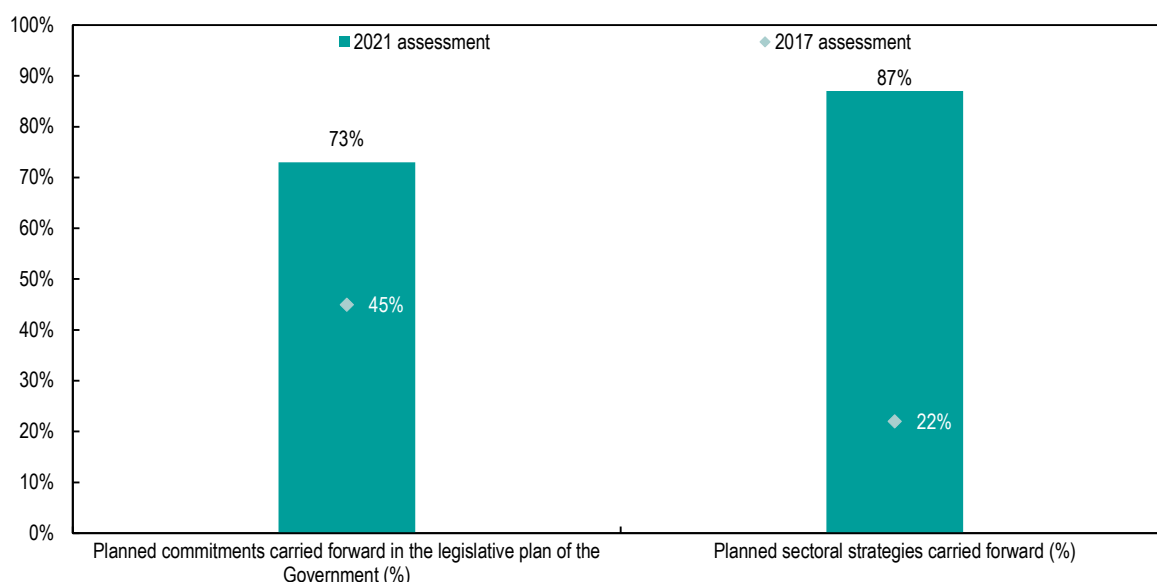
While all key centre-of-government functions for effective policy making are established and supported by detailed regulations and guidelines, **co-ordination arrangements between the centre-of-government (CoG) institutions are not consistently implemented.** The co-ordination around draft laws and

strategies submitted by line ministries should be significantly improved to include not only the concept stage but also all subsequent phases of policy development.

Similarly, while its legislative and institutional set-up is formally established, **the EI process needs to be strengthened through more regular co-ordination meetings at both the senior management level and the political level.** In April 2021, the Government adopted a new Decision on the Establishment of Inter-institutional Co-ordination Structures for the EI process. This will need to be fully implemented to make the system more operational in practice and to bring it up to date with institutional reorganisations.

Strategic planning is hampered by a lack of clarity in the hierarchy of key planning documents and the co-ordination of planning processes. As a result, the number of items included in the Government Annual Work Plan (GAWP) exceeds the Government's implementation capacity. The number of draft laws and strategies carried forward to the next year significantly increased compared to 2017, which suggests that government planning is overambitious. With respect to EI, the planning process also seems unrealistic, with the implementation rate of the National Programme for the Implementation of the Stabilisation and Association Agreement (NPISAA) at 21% for 2020. Alignment between sectoral strategies and other key strategy documents appears to be particularly weak, which increases the risk of duplication and waste in the allocation of resources across sectors.

Government policy planning appears unrealistic and hampered by poor co-ordination



Source: Legislative Programme 2020 and 2021, Strategic Documents Plan for 2020-2022 and for 2021-23. Data on 2017 is taken from the SIGMA Monitoring Report 2017.

Government transparency is also not sufficient and the monitoring of the Government's work remains a challenge. Agendas for government sessions are not made public in advance, and decisions are not consistently published online. The Government prepares a document summarising its main achievements but no detailed report, which prevents effective public scrutiny of the Government's work.

Adequate parliamentary scrutiny of government policy making is formally ensured, but in practice the Assembly very rarely discusses the Government's implementation of laws and policies. Parliament's ability to monitor the work of the Government is also limited by the high proportion of Government-sponsored bills that use extraordinary procedures. In 2020, 41% of draft laws submitted by the Government were adopted in extraordinary proceedings, compared to 19% in 2016. A fundamental problem is that there is no regular co-ordination between the Government and Parliament, and the Government does not consistently review bills initiated by Parliament, which may lead to inconsistencies between policies.

The policy-making process is evidence-based, in theory at least, as legislation and rules of procedure (RoP) require that impact assessments be used consistently by all ministries, and guidelines and manuals

are provided. However, while they are generally used for draft laws, **impact assessments are not used for secondary legislation or for strategies. This means that an important block of policy development takes place without impact assessment.** Quality control needs to be more rigorously applied by the Office of the Prime Minister (OPM) to ensure, among other things, that the results of the analytical process are taken into account when draft laws are being developed.

Regulations and procedures for conducting public consultations are in place, and the regularity in publishing draft laws for written public consultation has improved. However, rules are not followed consistently in practice. The consultations are also still organised very late in the process without key stakeholders being aware that a consultation process is planned.

The publication of legislation has improved since 2017, as all primary and secondary legislation is now available online (though not yet in consolidated format, the consolidation process started only recently and is ongoing). Nevertheless, data from the Balkan Barometer suggests that businesses do not see an improvement. **The perception that legislation affecting businesses is available to them has dropped by almost half since 2017, as shown in the chart below, and is now extremely low, as is the confidence of businesses in the stability of government policy making.**

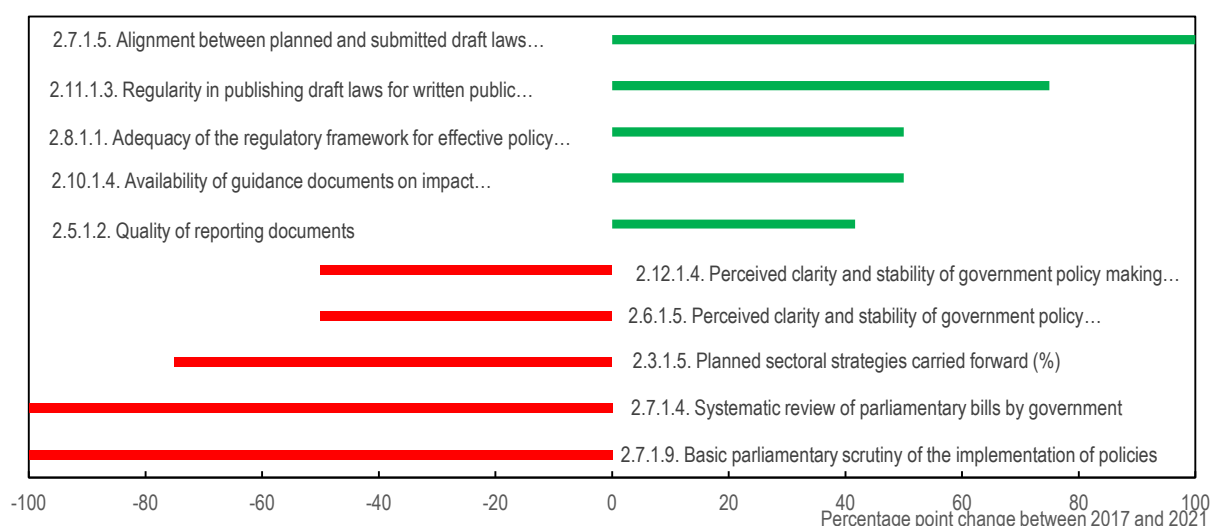
Short-term recommendations (1-2 years)

- 1) The Government should address the issue of overambitious plans in order to reduce carry over. Central co-ordination of legislative planning should be strengthened, including the preparation of EI activities, and political co-ordination forums used actively.
- 2) The Government should take steps to establish an integrated planning system, starting with a revision of the strategic planning framework.
- 3) The agendas of government sessions should be published online in advance and all decisions made by the Government should be available online.
- 4) The Government should amend the existing legislation to require that reports on the implementation of all key planning documents are published online, and ensure this requirement is actually implemented.
- 5) The Government should take steps to strengthen regulatory impact assessment (RIA) and enforce the central quality control more consistently. The OPM should ensure the review of draft laws, together with the accompanying concept documents, to ensure that the analysis effectively supports the legislative proposals. The OPM should also implement the existing requirements for analysis with respect to secondary legislation.
- 6) The Government should strengthen central oversight to ensure consistent implementation of the existing rules on public consultation. The OPM should ensure adequate discussion on substantial issues among all line ministries and agencies affected by a particular proposal.
- 7) The Government should explore why business confidence in its legislative process has fallen so dramatically. The Government should take steps to ensure that the transitional period before new laws take full effect is sufficient for the adoption of the necessary supporting by-laws, to promote full and consistent implementation and increase legal clarity.

Medium-term recommendations (3-5 years)

- 8) The role of the Assembly in monitoring progress made by the Government should be strengthened. The Assembly should start scrutinising the implementation of government policies by requesting that the Government prepare reports on the implementation of key reforms.
- 9) A more structured system of co-ordination between the Assembly and the Government should be developed, including more systematic government review of draft bills brought by the Assembly and mechanisms to reduce the use of extraordinary procedures.

The five highest percentage point increases and decreases for all sub-indicators in the area compared to 2017. Progress in the regulatory framework and basic processes, however, public perceptions have worsened, the backlog of sector strategies increased and parliamentary scrutiny has been reduced



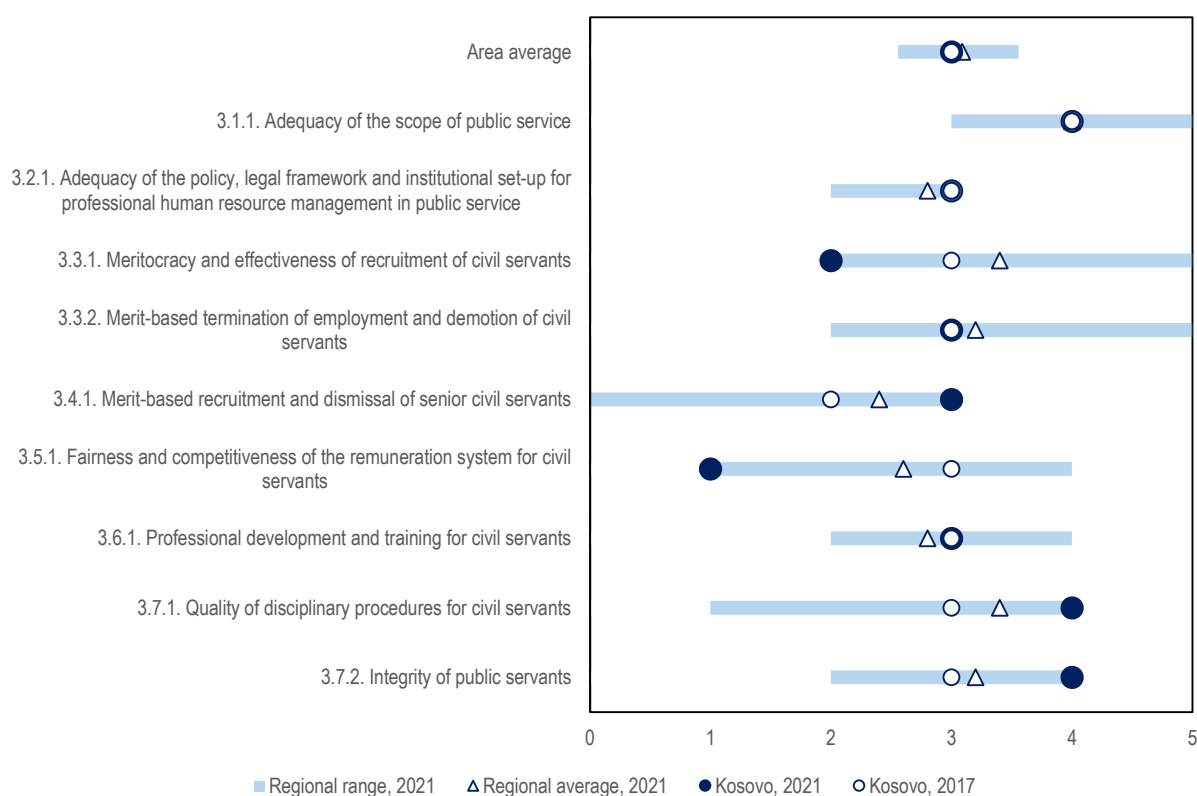
Public Service and Human Resource Management

Public Service and Human Resource Management

Summary and recommendations

Significant changes have been introduced to the civil service legislation since the 2017 monitoring report. The reform package of three laws adopted in 2019, which included the Law on Public Officials (LPO), aimed to create a unified merit-based civil service system and establish common principles of employment across the public sector. Unfortunately, this is not yet reflected in the average indicator value for the public service and human resource management (HRM) area, which remains at 3. This is because there are serious problems implementing the improved legislation. The recent launch of a programme of extensive revision of the LPO de-legitimises the existing regulations, reduces legal certainty and predictability and detracts attention from the efforts needed to finally make the current legislative framework operational.

Kosovo's indicator values for public service and human resource management indicators reflect good legislation and poor implementation. Lack of salary reform and scarce data resulted in the significant backslide in fairness and competitiveness of the remuneration system

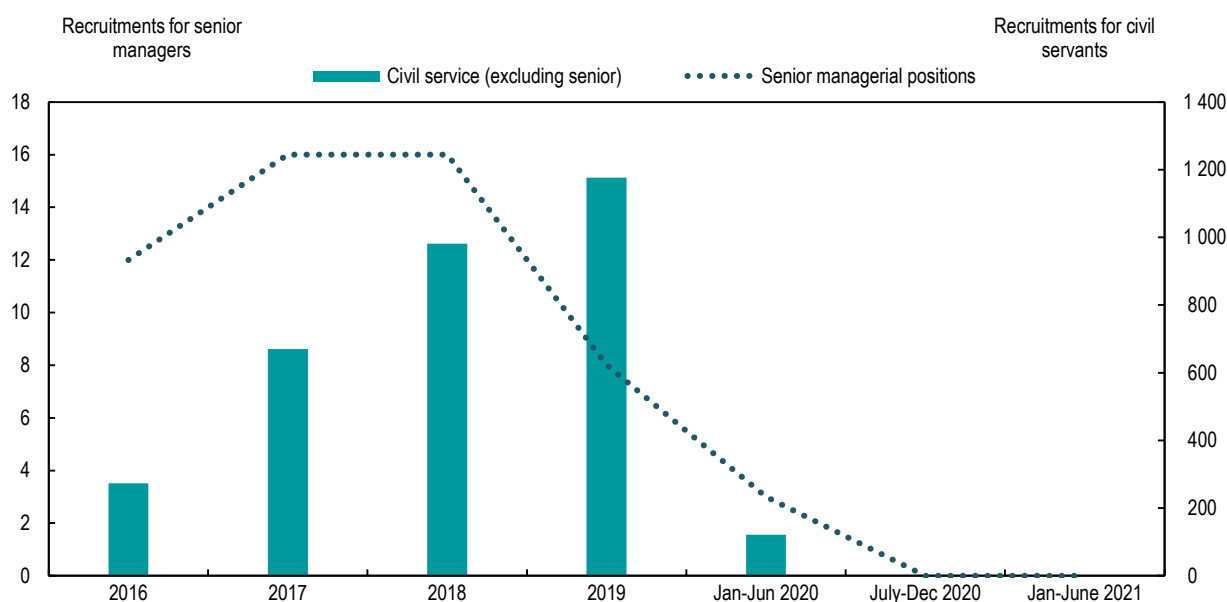


A comprehensive legislative framework is established by the LPO, and most secondary acts are in place for the civil service. The scope of the civil service is adequate and clearly defined. However, after the Constitutional Court decision declaring a number of articles of the LPO non-compliant with the Constitution, adjustments with regard to eight independent institutions are urgently needed, including clarification on whether the Law applies to them or not. The implementation of the amended scope and the new categorisation of positions relies on the Law on the Organisation and Functioning of the State Administration and Independent Agencies (LOFSAIA), which sets out requirements to determine the internal organisation of institutions together with the systematisation of jobs. This process is lagging seriously behind as only few institutions have completed the systematisation exercise.

The implementation of the LPO was seriously delayed, starting only in July 2020, and is still at the very beginning. The need for competent central co-ordination has increased due to the considerable centralisation of the civil service management. However, the responsible unit – the Department for the Management of Public Officials (DMPO) at the Ministry of Internal Affairs (MIA) – does not possess adequate human resources to fulfil its mission effectively. A lack of relevant civil service data, despite a functional Human Resource Information System (HRMIS), hampers reporting and co-ordination of the system and reduces transparency for the public. The Independent Oversight Board for the Civil Service (IOBSC), the independent body responsible for external oversight of the civil service, was not operational, as its board members were not appointed for an extended period of time.

Limiting the external recruitment to the professional category, together with a strong preference for internal mobility within the system for all the categories of civil servants, is a major innovation introduced by LPO. However, the application of the new framework is still to be seen in practice, as **no recruitments have taken place since July 2020**. Because the centralised recruitment procedures have not been launched, internal transfer has become the only instrument for filling vacant positions within the civil service. However, this creates new vacancies and does not address the overall need for new staff.

The number of vacancies offered in external competitions for civil servants and senior managerial positions before and after the entry into force of the LPO in June 2020 illustrates the serious problem with implementation of the LPO that persists in 2021



Source: Ministry of Public Administration, Annual Reports on civil service, <https://mpb.rks-gov.net/ap/page.aspx?id=1,140>, Ministry of Internal Affairs, DMPO data for 2020 and 2021.

A regulatory framework for reducing political influence over top managerial positions in the civil service has been improved with the new CSL. The MIA (DMPO) has been given a crucial role in implementing the new framework and ensuring the process is merit based. However, since **no competition processes have been carried out yet under the LPO, the quality of SCS admission and effectiveness of prevention of political influence in practice is not yet assessed.**

The civil service remuneration system does not ensure comprehensiveness, transparency, fairness and equal treatment. Following the Constitutional Court decision – which declared the 2019 Law on Salaries in the Public Sector (LSPS) unconstitutional – remuneration is still based on the 2010 regulation. Salaries are not transparent and the procedures to allocate basic salary do not ensure the principles of merit, fairness and equal treatment. Drafting of the new law on salaries has only just started and is hampered by the lack of reliable data on salaries both within and outside the civil service.

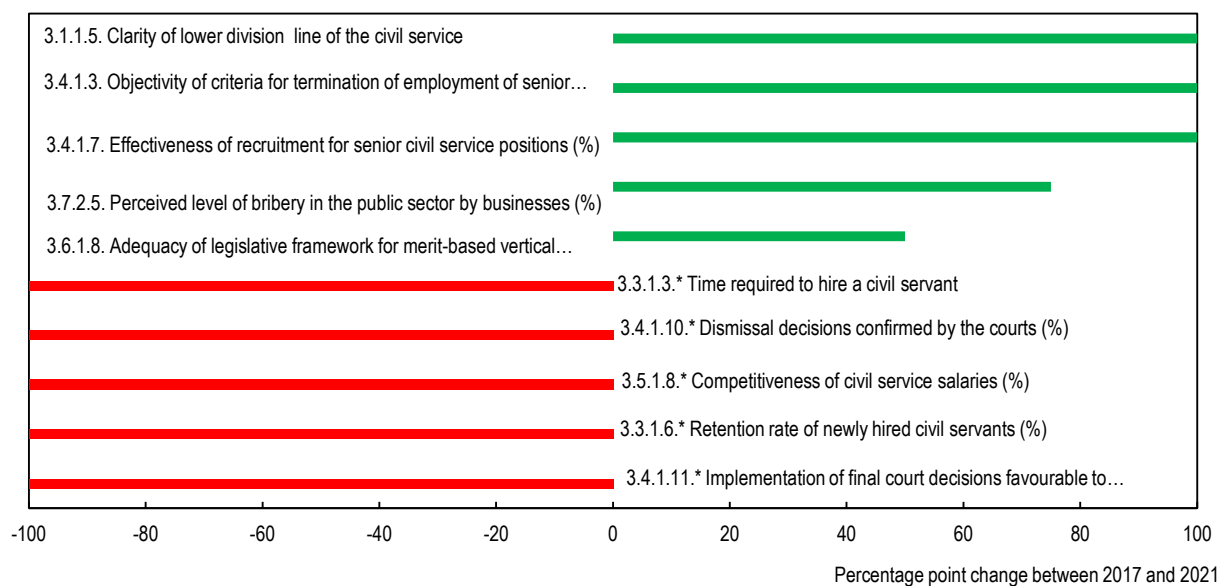
The professional development of public servants is vital under the new legislative framework, which relies on internal mobility. A strategic view is missing for the Kosovo Institute for Public Administration (KIPA) and civil service training, including clarity in the division of responsibilities between the KIPA and the DMPO. The DMPO does not offer sufficient support and guidance to institutions on merit-based promotion, mobility and performance appraisal in the form of training, methodological materials, dissemination of data and consultation.

Finally, a comprehensive legal framework on integrity and disciplinary procedures is in place. However, due to the political instability, no comprehensive integrity policy has been adopted. The responsibility for the implementation of anti-corruption activities lies with the Anti-Corruption Agency (ACA). Its functions in prevention and monitoring of institutional integrity plans need to be enlarged in order to strengthen the integrity policy and its co-ordination.

Short-term recommendations (1-2 years)

- 1) The Assembly should implement the Constitutional Court decision on the LPO. While the Assembly must provide a proper legal framework for independent institutions, at the same time the integrity of the LPO should be maintained.
- 2) The Government should immediately ensure the DMPO has the human resources necessary for it to fulfil its co-ordinating role in the civil service system, to enable the effective implementation of the LPO.
- 3) The Government should prepare the new salary law, ideally for the entire public service but at least for the civil service, following an inclusive process that considers the arguments in the Constitutional Court judgement on LSPS.
- 4) The Assembly should restore the functioning of the IOBSC by appointing its Board members.
- 5) The Government should implement that the new legislative framework for the recruitment and dismissal of senior civil servants in line with the principles of merit and transparency.
- 6) The DMPO should support the professionalism of HRM units by introducing a combination of training, methodological materials and networking opportunities.
- 7) The DMPO should establish the system and channels for analysing and disseminating the data on civil service salaries, independently of the progress of drafting the new salary law.
- 8) The DMPO should ensure that the data on the civil service system is available, of high quality and widely published.
- 9) The Assembly should strengthen the preventive functions of the ACA in order to support the development of civil service integrity.

The five highest percentage point increases and decreases for all sub-indicators in the area compared to 2017. A substantially improved legislative framework on the one hand, but a severe lack of data on outcomes on the other



Note: The * marks where points have been deducted because data was not available, not provided, or of poor quality.

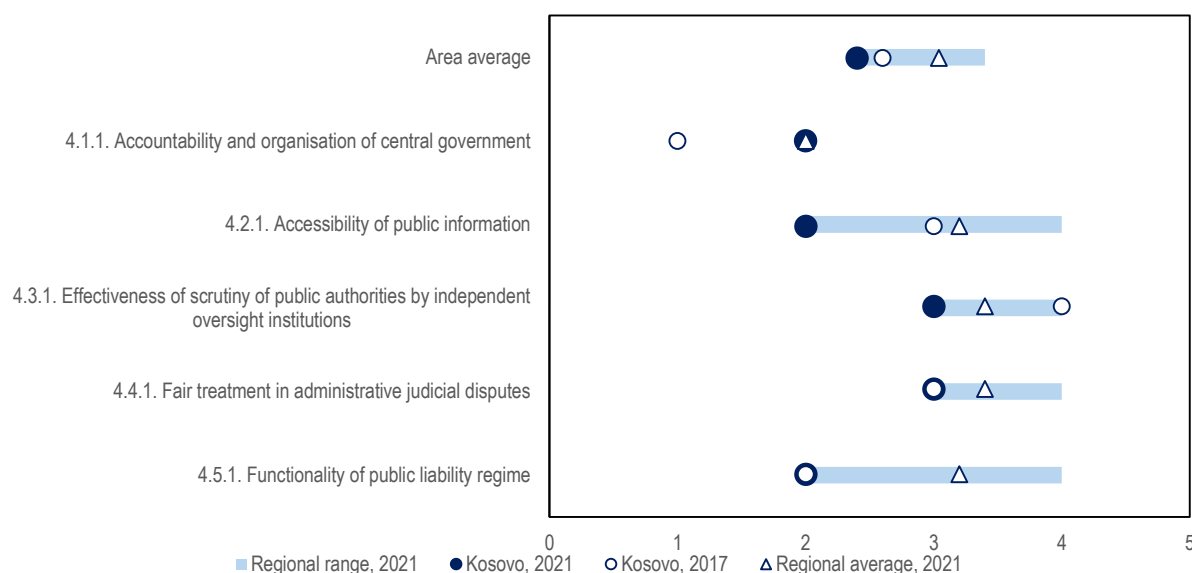
Accountability

Accountability

Summary and recommendations

The overall trajectory for Kosovo in the accountability area is downward. The area average of 2.4 is the lowest compared to its neighbours in the region and has fallen from 2.6 in 2017. Only Kosovo and Montenegro regressed in the area of accountability since 2017. A new law has improved the regulatory framework for the organisation of public administration and thus raised the corresponding indicator value from 1 to 2, but in the areas of access to information and strength of the oversight institutions, Kosovo's indicator values have gone down by one, mainly because political instability has affected the institutional performance of the Commissioner for Information and Privacy and the Ombudsperson. There was no significant change for administrative justice and public liability.

The area average for accountability is the lowest in the region and less than in 2017 because access to public information and the performance of oversight institutions have both deteriorated

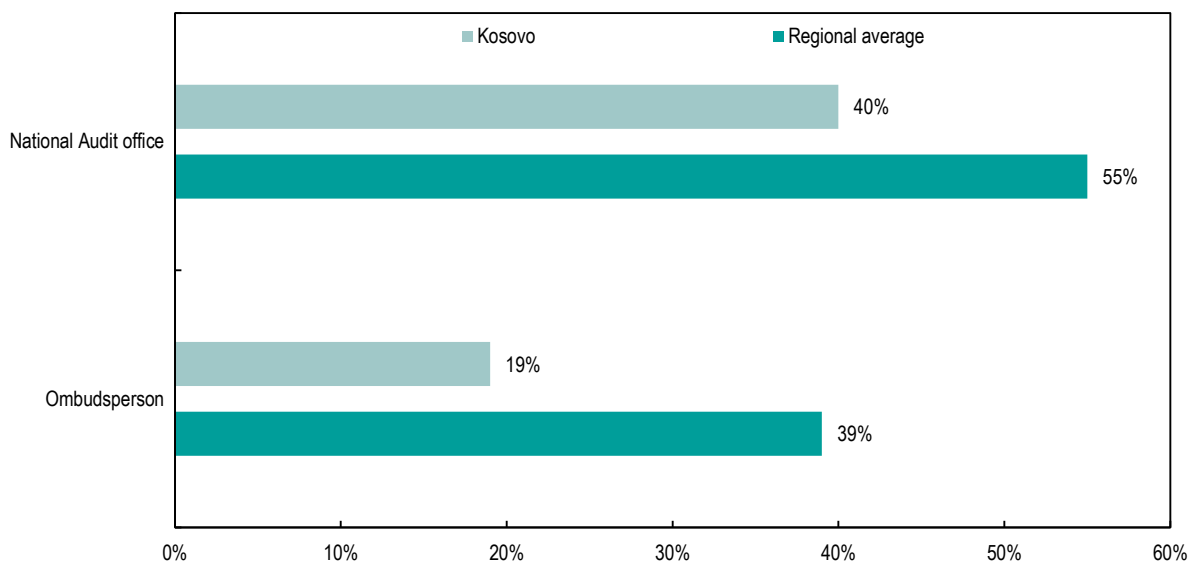


The new Law on the Organization and Functioning of the State Administration and Independent Agencies (LOFSAIA) laid strong foundations for achieving better organisation of central government, fewer executive agencies being subordinated to the Assembly (parliament) and the results-oriented governance of public agencies, based on a new, clear concept of agencies' autonomy and rules for ministerial steering. However, the Government action plan for the restructuring of agencies has so far not been implemented, despite the commitments made in the European Reform Agenda. Political instability stalled the process of aligning existing agencies with the new law, and Kosovo continues to have weak ministerial steering of public agencies and the highest number of executive agencies subordinated to the Assembly in the region. The renewed commitment by the Government to implement the action plan is therefore crucial.

The right to access public information is formally guaranteed in legislation, but citizens and businesses face several barriers in practice. The Commissioner for Information and Privacy post has been vacant since 2019, which means that the responsible agency is not fully operational, and if public bodies for any reason deny or ignore requests for information there is no independent appeal mechanism. Public bodies are less proactive in disclosing basic information than in 2017. Citizens continue to have a positive perception of the accessibility of public information (the highest in the region), but the satisfaction of businesses with accessibility of public information has dropped by half since 2017.

Public trust in Kosovo’s judiciary, the Ombudsperson Institution and the National Audit Office (NAO) is declining, and there is a low rate of implementation of recommendations. None of these oversight institutions are perceived by the population as being independent of political influence. Overall, the NAO performs effectively as an oversight institution, with adequate powers to hold the executive to account for its actions and strong collaboration with the Assembly, but the rate of implementation of its recommendations continues to be low and below the regional average. The continuing decreasing rate of implementation of the Ombudsperson’s recommendations is even more worrying.

Recommendations from the Ombudsperson and the National Audit Office in Kosovo were less frequently implemented by state bodies compared to the regional average in 2020



Source: Annual reports of the Ombudsperson institution and National Audit Office.

Administrative justice is hindered by insufficient capacity. On average, administrative judicial proceedings take more than three years. The new electronic case management system is a positive development but cannot on its own reduce the extraordinarily large backlog of cases. A deeper structural problem that must be tackled is that there are no mechanisms for citizens to seek compensation for excessive length of proceedings. As shown in the chart below, the increased public availability of court rulings and better organisation of judges have been important improvements since 2017.

The legislative framework for public liability is in place, but no data on administrative and judicial practice in this field is collected and analysed, which hinders the elimination of the most serious areas of maladministration.

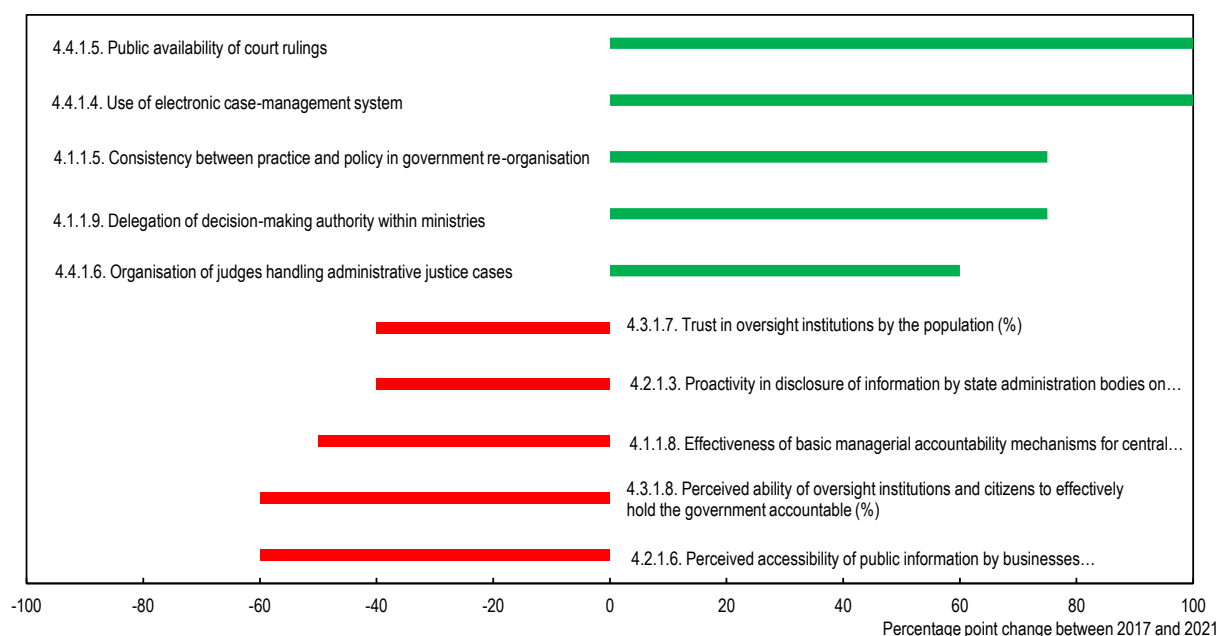
Short-term recommendations (1-2 years)

- 1) The Government, with the Office of the Prime Minister and the Ministry of Internal Affairs as co-ordinators, should implement the Action Plan for the Rationalisation of Agencies, harmonise all laws regulating individual agencies with the LOFSAIA, and ensure consistent application of the performance management system for public agencies.
- 2) The new Law on Access to Public Documents should be evaluated *ex post* to review whether the Information and Privacy Agency has the necessary supervisory powers to work effectively.
- 3) The Assembly should enhance its co-operation with the Ombudsperson Institution, to increase the responsiveness of the public administration in implementing its recommendations.
- 4) The Ministry of Justice, in co-operation with the Kosovo Judicial Council, should develop and urgently implement an action plan for reducing the backlog of administrative cases in the Basic Court of Pristina. Temporary transfer of judges could be considered.

Medium-term recommendations (3-5 years)

- 5) The Ministry of Justice should develop a legislative proposal providing an effective remedy against excessive length of judicial proceedings, including measures to speed up proceedings, and ensuring the right to compensation for violation of the right to a judicial hearing within reasonable time.
- 6) The Government should introduce mechanisms to monitor cases (both court cases and out-of-court settlements) that result in a liability of the State, with the goal of improving administrative procedures and decisions and thus reducing public liability cases in the future.

The five highest percentage point increases and decreases for all sub-indicators in the area compared to 2017. Advances in some areas of administrative justice, and better delegation of decision-making, but lower trust in oversight institutions, less transparency and openness and less effective basic managerial accountability mechanisms



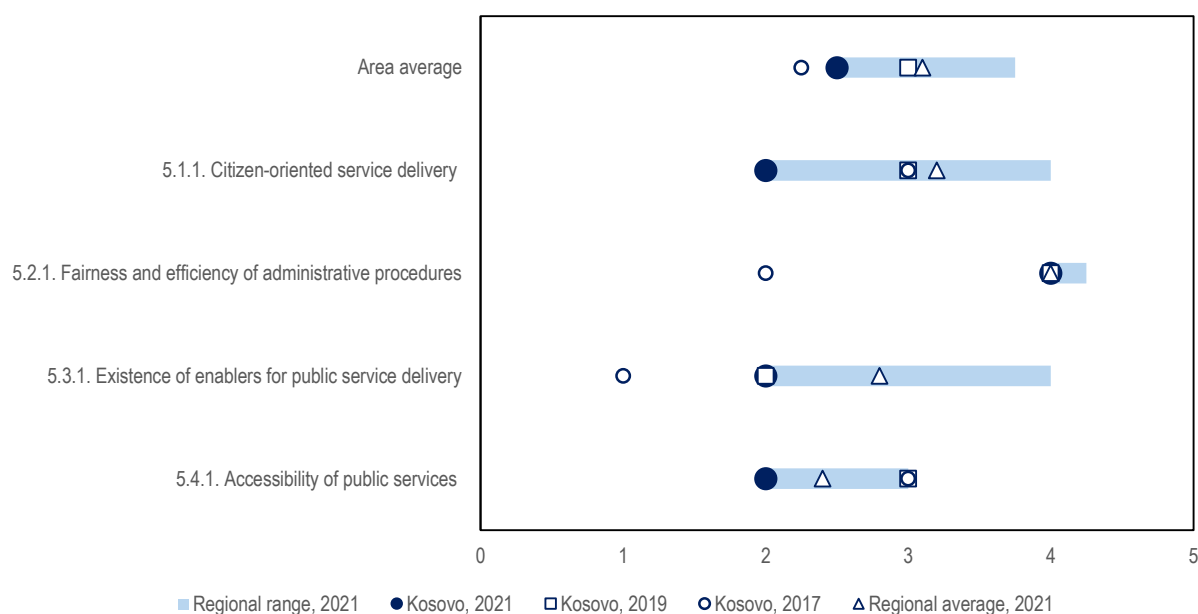
Service Delivery

Service Delivery

Summary and recommendations

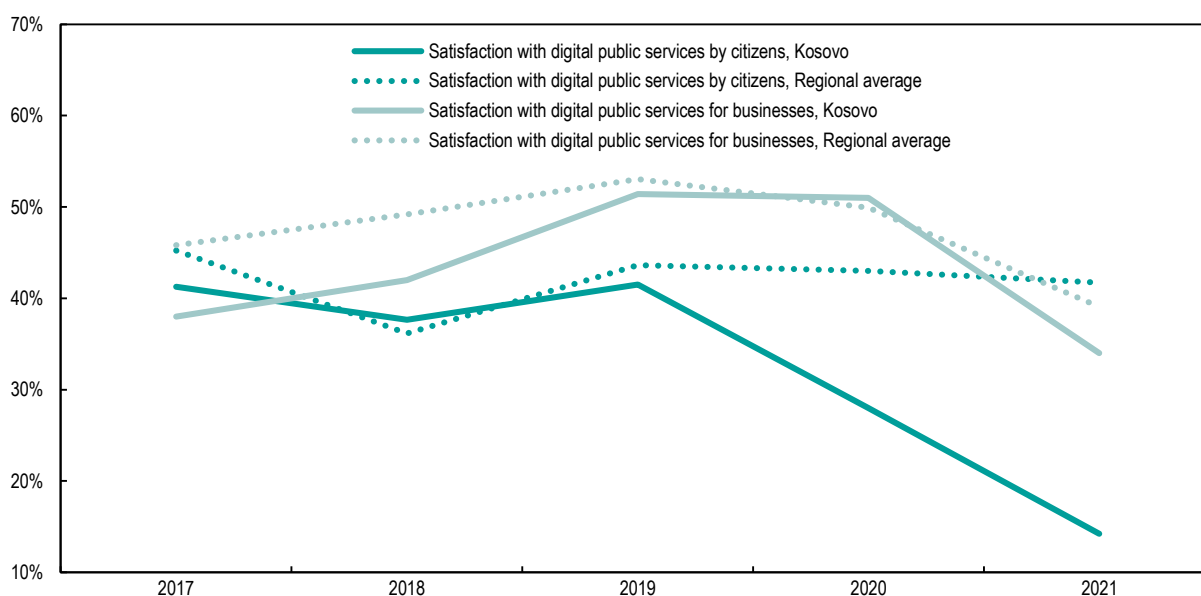
With an area average of 2.5, Kosovo did not manage to maintain the progress made in the 2019 monitoring report in the service delivery area. Compared to the region (average of 3.1), Kosovo is also making slower progress in improving service delivery, including the digital transformation.

Advances in 2019 were reversed on average in 2021. The quality and accessibility of public services are below the regional average



Despite achieving some important milestones (the coming into force of the Law on General Administrative Procedures, a functioning Government Gateway and the setting up of the e-Kosovo portal) these **have not been sufficiently translated into improved service delivery for citizens and businesses**. This is demonstrated by the deteriorating perception of satisfaction of citizens and businesses with the service delivery, measured by the Balkan Barometer survey. The progress in individual institutions tends to be piecemeal rather than part of a comprehensive transformation of service delivery.

Satisfaction with digital public services is falling even more steeply for citizens than for businesses



Note: The percentage of respondents who answered “tend to be satisfied” or “strongly satisfied” in relation to “Accessibility to public services via a digital channel” and “Digital services currently provided by the public administration for businesses”. Satisfaction with digital public services by citizens’ data is not available for 2020.

Source: Regional Cooperation Council, Balkan Barometer Public and Business Opinion databases (<https://www.rcc.int/balkanbarometer>).

A comprehensive **Citizen-oriented service delivery modernisation is hindered by the lack of a stable institutional set-up** and illustrated by the fact that no responsible unit for service delivery policy has been installed. The recent appointment of the Government Chief Technical Officer (CTO) can be seen as a positive step. The expired strategies and plans on service delivery (including public administration reform, administrative simplification and digitalisation) have not been replaced by a comprehensive and coherent strategy and plan of action in the service delivery area that applies a comprehensive set of policy measures, actively supports institutions and monitors progress. **In the absence of a comprehensive approach, individual service delivery remains cumbersome** – although generally better for businesses than for citizens – and at a low digital maturity level.

With the adoption of the Law on General Administrative Procedures (LGAP), an important milestone was set in the area of fairness and efficiency of administrative procedures, and this is positively reflected in citizens’ perception. However, harmonisation of special laws with the LGAP has been slow and is behind the targets set. Moreover, separate reform initiatives on simplification and administrative burden reduction lack co-ordination. General awareness of how to turn the LGAP principles into service delivery practices is needed.

Some enablers for public service delivery have been installed, but their potential remains untapped. The number of information systems exchanging data over the interoperability platform (the Government Gateway) has substantially increased, but the quality assurance of the registries is insufficient and the ‘once only’ principle has not materialised in practice. The e-Kosovo portal shows potential, but it is currently limited to offering only 36 services online, some of which are fully digital, while others offer information. More services are being prepared to be uploaded. An initial inventory of administrative procedures was carried out, but there is a general lack of service standards, systematic and methodological support for service providers, and central monitoring of service delivery against established metrics. Moreover, important enablers such as the digital signature are not compatible with

eIDAS⁵, and e-payment solutions are still not available. **In the absence of a lead institution, there is no general approach to promoting quality management systems and user engagement practices**, which is leading to their anecdotal use in public administration.

Government policy on improving ‘accessibility to public services’ is limited to providing services through the e-Kosovo portal and does not address over-the-counter service delivery. The creation of one-stop shops has proceeded more slowly than planned. The Strategy for People with Disabilities 2013-2023 is in place, but **accessibility to public buildings remains poor**, despite the adequate regulatory framework. Government websites continue to contain many errors as there is no set standard to which they must adhere. **Public satisfaction with public services and accessibility of digital services is low**. However, citizens grade the time and cost of accessing public services highly.

Short-term recommendations (1-2 years)

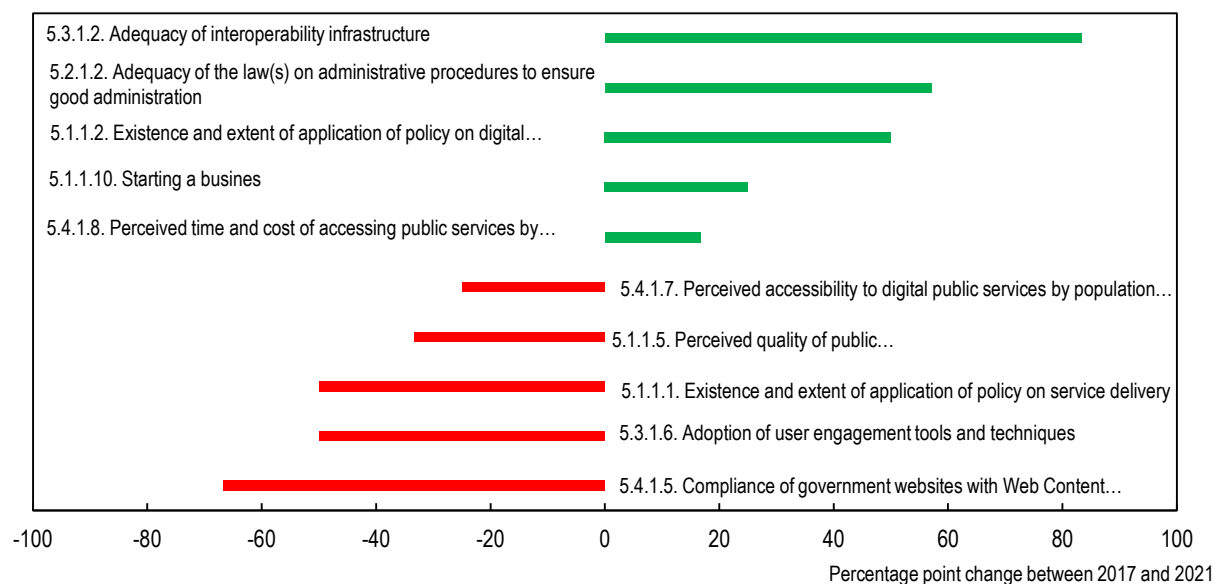
- 1) The Government should develop a comprehensive service delivery strategy – including digital transformation – with clear objectives, a dedicated action plan and a supporting performance monitoring framework. The development and implementation of the service delivery strategy needs to be supported by a clear and stable institutional set-up, clearly assigning a leading responsible actor.
- 2) The e-Kosovo portal needs to evolve into the central one-stop shop for digital service delivery by extending the number of services offered via the platform and rigorously improving the usability of the portal by applying a life-event approach.
- 3) The Government should clarify its one-stop shop policy.
- 4) The Ministry of Internal Affairs (MIA) and the Office of the Prime Minister (OPM) should strengthen co-ordination between the harmonisation of special laws with the LGAP and administrative simplification, including the re-engineering of services.

Medium-term recommendations (3-5 years)

- 5) The Government should promote a user-centred approach in public institutions and should appoint a leading actor in developing, promoting and supporting tools and techniques, including user feedback management mechanisms, to be deployed government-wide as well as by individual agencies.
- 6) The Government should promote the uptake of the digital signature by producing a user-friendly and widely usable application, along with e-payment solutions that should be integrated with all services that would benefit from them, most notably through the e-Kosovo portal.
- 7) The Government should take measures to improve public service accessibility for people with disabilities (including customising e-services and government websites in general) in co-operation with representative organisations of people with disabilities. The OPM should set up a comprehensive system to monitor, evaluate and communicate on the implementation of regulations.

⁵ EU Regulation on electronic Identification and Trust Services for Electronic Transactions in the Internal Market.

The five highest percentage point increases and decreases for all sub-indicators in the area compared to 2017. Infrastructure for interoperability has improved as has the legal framework for administrative procedures, but the quality of public websites have fallen and user engagement tools are less used



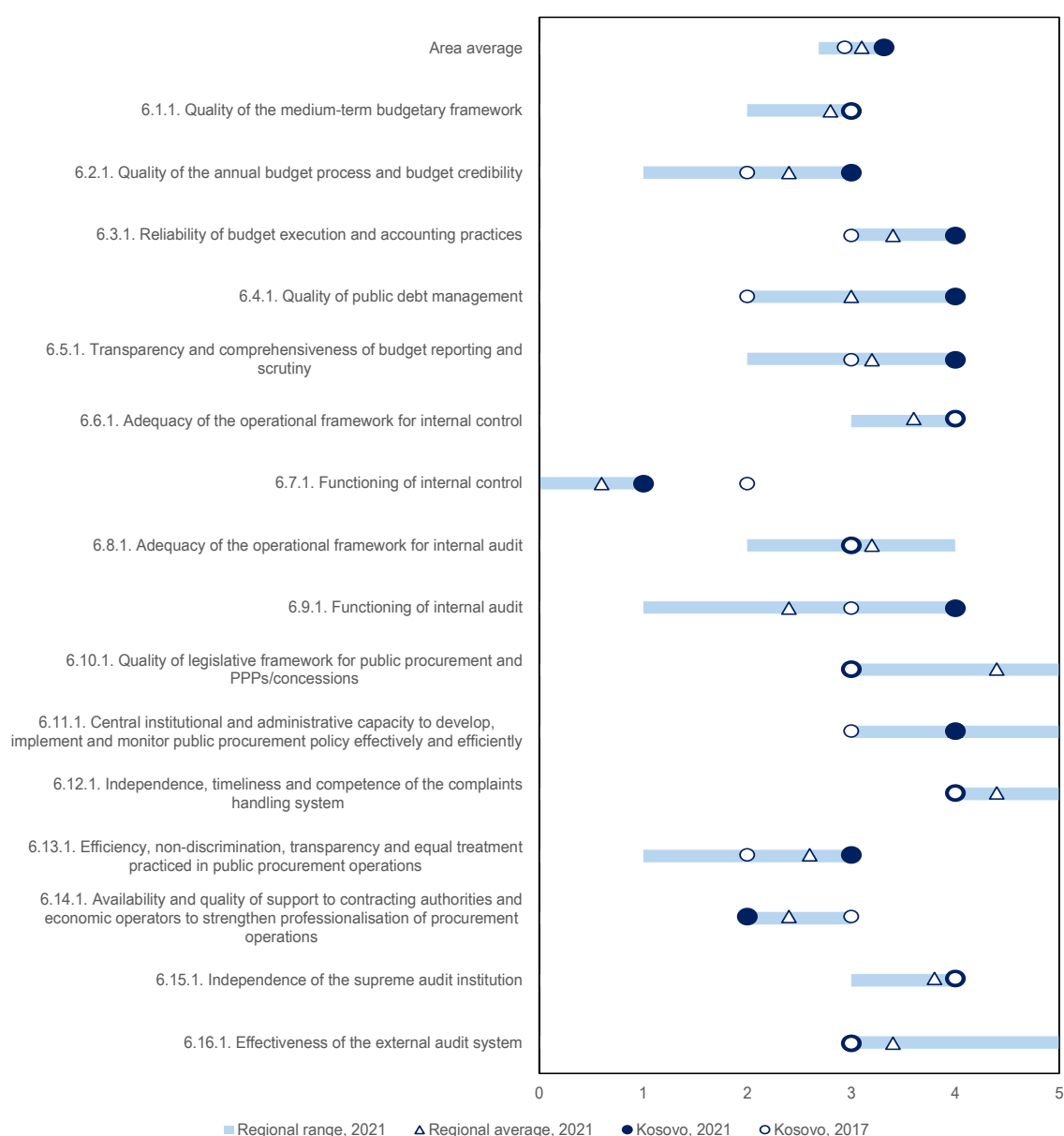
Public Financial Management

Public Financial Management

Summary and recommendations

The overall trajectory for Kosovo in the public financial management (PFM) area is upwards. Kosovo's area average of 3.3 is one of the highest compared to its neighbours in the region and has increased from 2.9 in 2017. The relatively stronger performance compared to the region and 2017 applies to a number of indicators across the PFM area, in particular those related to public expenditure management. The indicators for public internal financial control (PIFC) show a more mixed picture, with the functioning of internal control remaining an area of weakness. The external audit indicators are broadly consistent with the regional average and 2017.

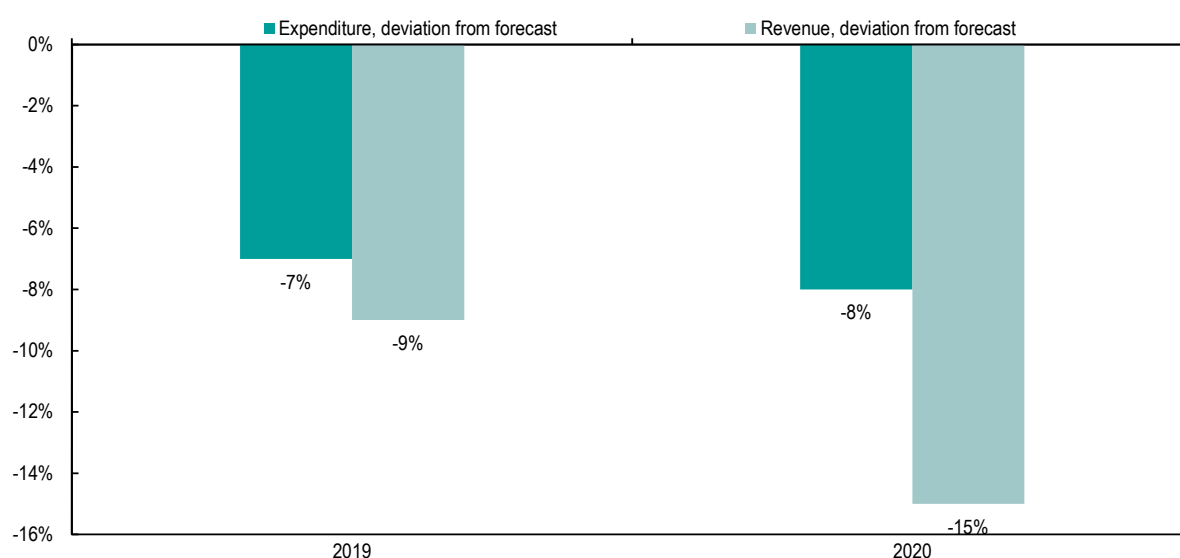
The area average is the highest in the region and higher than in 2017 because of improvements in public expenditure management



The quality of the medium-term budgetary framework⁶ has been strengthened with additional content that is relevant for informing decisions. The budget calendar is reasonable and adhered to, and **the quality of the annual budget process and budget credibility has improved**, reflecting an improvement in operational alignment between the medium-term expenditure framework (MTEF) and the annual budget process and greater transparency of the budget proposal before its adoption by the Assembly. However, some gaps do remain in the information provided, including non-financial performance information, and the ability to make amendments to the approved budget appropriations by up to 25% without parliamentary oversight is a concern.

The credibility of the medium-term revenue and expenditure plans needs to be strengthened. At an aggregate level, there were significant deviations in 2020 between actual outturns and forecasts for both revenue (15.3%) and expenditure (7.7%), although these were affected by the COVID-19 pandemic. However, there were also significant deviations in 2019 between the revenue and expenditure outturns and forecasts, with deviations of 8.7% and 7.2%. This signals challenges for the Kosovo authorities to estimate the revenues more realistically or to collect the revenues effectively.

Difference between medium-term budgetary forecasts and outturn, 2019 and 2020



Note: Figures are for central government.

Source: Planned figures are from the relevant MTEFs (e.g. for 2019, the MTEF 2018-2020). Outturn data is from the Annual Financial Statement of Budget Execution.

The Government has established clear quantitative fiscal rules and has not violated them within the last two fiscal years, although an independent authority to support the rigour of the budgeting process, such as a fiscal council, has not been established. Large capital investment decisions generally lack independent and transparent appraisal of the costs and benefits which could also put a strain on the budget in future years.

The reliability of budget execution and accounting practices and the quality of public debt management have been strengthened since the previous assessment in 2017, as a result of improvements in the credibility of cash flow planning and public debt management practices. While the level of public debt as a proportion of gross domestic product (GDP) has been on an upward trajectory since 2016 when it was 14.4%, it is still relatively low risk at only 21.8% of GDP.

⁶ 'Medium-term expenditure framework' is the formal title used in Kosovo for the medium-term budgetary framework.

There has been **progress in the transparency and comprehensiveness of budget reporting and scrutiny** with frequent and comprehensive in-year reporting and timely publication of annual financial statements for central and local government, although there are some gaps in the information provided. However, there are weaknesses in the monitoring of fiscal risks and in the transparent reporting on the financial performance of state-owned enterprises that need to be addressed.

The **regulatory and operational framework for internal control** is largely established with appropriate strategies in place. However, **the effective implementation of internal control lags behind the development of the overall framework**. There is a reasonable level of delegation of decision-making authority within ministries. However, risk management and reporting on irregularities need further development, and basic accountability mechanisms between ministries and subordinated bodies are not operating effectively.

The **regulatory and operational framework for internal audit (IA) is largely complete, broadly in line with the requirements of international standards, and there has been progress in its application**. However, while the establishment of IA units has improved, not all are staffed in line with the legal requirements, and there are a number of single-person units. There has been an improvement in the proportion of IA units implementing IA in line with the IA operational policies, but there are still some significant areas for improvement, and the impact of the work continues to be limited.

No specific progress related to the legal framework for public procurement has been registered since 2016. The last change to the Law on Public Procurement (PPL)⁷, the amendment adopted in December 2020⁸, introduced 15% domestic preferential treatment until 31 December 2021, which drastically affected the principles of equal treatment and non-discrimination and was not in line with the commitments in the Stabilisation and Association Agreement (SAA). In general, the regulatory framework in public procurement and public-private partnerships (PPPs) and concessions⁹ reflects the fundamental EU Treaty principles of transparency, equal treatment and non-discrimination, but it needs modernisation and is not fully in line with the relevant 2014 EU Directives.

Activities on adoption of the new PPL and a new PPP Law have commenced in 2020, but the drafting process is moving slowly.

The current National Public Procurement Strategy 2017-2021 does not cover PPPs/concessions; neither does it cover other important aspects, such as green procurement, social procurement and innovations. There are no publicly available reports on the implementation of the Strategy, and the Action Plan has not been updated since 2019. In particular, there is a need to strengthen the administrative capacities of the Monitoring Department of the Public Procurement Regulatory Commission (PPRC), as well as the Central Procurement Agency (CPA). Significant concerns are caused by a long period of incomplete composition of the Procurement Review Body (PRB), followed by no functioning of the PRB board since March 2021. The lengthy periods with non-appointment of all the PRB board members has been affecting the effectiveness of the review procedures.

As regards the procurement operations, an advanced e-procurement platform has been implemented, covering all the stages of the procurement process. There are also newly introduced tools for improving contract management and performance evaluation on the platform. Procurement plans are not published, although they are accessible after registering on the platform. The main challenges are

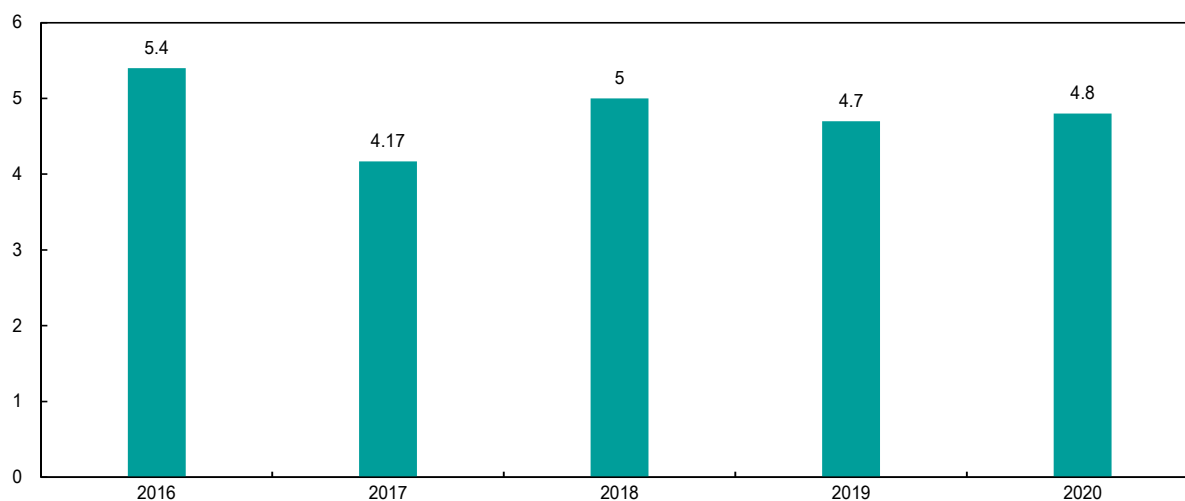
⁷ Law No. 04/L-042 on Public Procurement in Republic of Kosovo, Law No. 05/L-068 amending and supplementing Law No. 04/L-042 on Public Procurement, amended and supplemented with Law No. 04/L-237, Law No. 05/L-092 amending and supplementing Law No. 04/L-042 on Public Procurement, amended and supplemented with Law No. 04/L-237 and Law No. 05/L-068.

⁸ Article 13 of the Law No. 07/L-016 on Economic Recovery – COVID-19, adopted December 2020.

⁹ Law No. 04/L-045 on Public Private Partnership of 2011.

linked to poor planning and cost estimation, the issue of systematic artificial splitting of contracts and the excessive use of the lowest-price criterion.

The average number of participants in competitive procurement procedures remains fairly high



Source: Reports on public procurement activities in Kosovo for 2018, 2019 and 2020.

Training for and certification of procurement professionals continued to be delivered during 2020, despite the constraints of the COVID-19 pandemic. Relevant manuals and training materials have been published and some standard procurement documents have been updated, although there are some notable gaps due to a lack of practical examples.

There has been no significant change to the independence of the supreme audit institution (SAI) since the 2017 assessment. **The framework for the National Audit Office (NAO) is aligned to international standards and continues to be applied and respected in practice.** The July 2020 judgement of the Constitutional Court further emphasised its independence from the Executive. With respect to the effectiveness of the external audit system, the implementation of the International Standards of Supreme Audit Institutions (ISSAIs) is well progressed in the NAO, but there is still room for improvement, particularly in quality assurance arrangements. **The NAO's audit reports are used by the Assembly to scrutinise the Executive. However, the implementation rate of the recommendations remains low, limiting the impact of the NAO.**

Short-term recommendations (1-2 years)

- 1) The role of the Assembly in the evaluation and decision making of the MTEF should be strengthened to increase its importance in ensuring the predictability and stability of the public financial management system. This should be supported by the establishment of an independent authority, such as a fiscal council to review the MTEF and budget proposals before their approval by the Assembly, to increase the credibility of government fiscal projections and the sustainability of public finances in the medium term.
- 2) The Government's capacity to prepare budget revenue forecasts and manage cash flow forecasts should be improved to ensure the fulfilment of commitments made by budget organisations (BO) during the year and to avoid expenditure arrears. The MoF should also publish the stock and composition of expenditure arrears at least quarterly, to increase the Government's accountability for the fulfilment of commitments and timely payments.
- 3) The MoF should further develop annual financial reporting. This should include reporting on non-financial performance information and capital investment project expenditure variations to increase the Government's accountability for achieving planned goals and objectives, and the productive and efficient use of budget funds.
- 4) The Central Harmonisation Unit (CHU) should work with ministries to develop plans for implementing performance management systems for managing and monitoring subordinated bodies, which includes establishing objectives and measurable targets, monitoring of progress and reporting on performance.
- 5) The CHU should develop a plan that takes into account the capacity of the institutions and sets realistic deadlines for the full implementation of the risk management system in each central government body, to ensure that the risk management system works in practice.
- 6) The CHU should continue to look at ways of reducing the numbers of single-person IA units and explore the scope for more combined units to provide a critical mass of staff to enable internal quality control and allow for career progression. The CHU should also develop and implement a continuous professional development programme for internal auditors.
- 7) The CHU should develop mechanisms to enhance the accountability of the heads of budgetary institutions for the timely implementation of IA recommendations. The CHU should also develop further guidance for IA units on the development and wording of recommendations and their follow-up to improve implementation rates.
- 8) The Assembly should immediately abolish legal provisions on domestic preferential treatment.
- 9) The MoF/PPRC/Government should finalise the draft of the primary and secondary public procurement legislation and the Assembly should adopt the new PPL and PPP Law, in order to ensure harmonisation with the 2014 EU Directives.
- 10) The PPRC/Government should adopt a new strategic framework for the period after 2021, covering also PPPs and concessions.
- 11) The Government/the Assembly should immediately appoint the PRB board members. The new PPL should contain provisions preventing situations where the PRB is not functional or where the provisions of the PPL regarding the number of PRB board members cannot be respected.
- 12) The NAO should consider separating compliance audits from financial audit work in order to concentrate on implementing efficient, evidence-based financial audits and to carry out government-wide thematic compliance audits.
- 13) The NAO should approve and implement an ISSAI-compliant audit quality assurance system.

Medium-term recommendations (3-5 years)

- 14) The MoF should include targets for the sectoral policy objectives in the MTEF aligned to the Government's overall policy planning. The MoF should also develop the budget documents to include information on contingent liabilities and new policy initiatives, as well as information on the independent assessment, cost-benefit analysis and future operating costs of large investment projects.
- 15) The MoF should establish a system for the identification, monitoring and annual reporting of fiscal risks in the budget, to ensure the stability of the implementation of the annual budget and to reduce the risk of unplanned commitments.
- 16) The MoF should consider moving from centralised control to a more decentralised management of resources, as institutions strengthen their internal control processes and demonstrate effective management of their resources. This would increase the role of sector ministries in the budget cycle and strengthen their responsibility for the sectors for which they are mandated.
- 17) The CHU should establish formal procedures for IA quality assurance in line with the Institute of Internal Auditors standards, to ensure the quality of IA and that it operates in accordance with legal requirements.
- 18) The Government should strengthen the capacities of the PPRC, in particular its monitoring department and the CPA.
- 19) The PRB should review the PRB website and improve its accessibility and the search options for the review decisions, as well as the management and reporting system.
- 20) The PPRC and PRB should improve the current (formal) mechanisms for co-ordinating the interpretation of procurement legislation, while acknowledging the need for institutional independence.
- 21) The NAO should consider programming specific follow-up audits on recommendations in order to identify and address the root causes for the high rate of non-implementation, with a view to improving the implementation rate.

For more information:

OECD/SIGMA

2 rue André Pascal
75775 Paris Cedex 16
France

mail to: sigmaweb@oecd.org
Tel: +33 (0) 1 45 24 82 00

www.sigmaweb.org