



The Principles of Public Administration

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Foreword

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The Commission is ensuring a strong focus on addressing fundamental reforms early in the enlargement process. This approach contributes to strengthening the credibility of enlargement policy and enhancing its transformative power.

Public administration reform is a pillar of the enlargement process, together with rule of law and economic governance. All three pillars are closely linked, cross-cutting issues of fundamental importance for success in political and economic reforms and building a basis for implementing EU rules and standards. A well-functioning public administration is necessary for democratic governance. It also directly impacts upon governments' ability to provide public services and to foster competitiveness and growth.

Public administration reform should lead to enhanced transparency, accountability and effectiveness and ensure a greater focus on the needs of citizens and business. An adequately managed and professional civil service, better policy planning and co-ordination, sound administrative procedures and improved public financial management are of fundamental importance for the functioning of the state and for implementing

the reforms needed for EU integration. Countries need to increase their efforts to improve their public administrations at all levels on the basis of national strategies. A strong political commitment is needed to steer the reform process.

Recognising the challenges faced by the enlargement countries, the Commission is strengthening its support to public administration reform. The Commission aims to make maximum use of existing mechanisms and fora to drive reforms forward, be it through Stabilisation and Association Agreement structures, the accession negotiations or Commission-led targeted country-specific initiatives. The Commission is also introducing a more structured policy dialogue on public administration reform with the enlargement countries in Special Groups on Public Administration Reform.

The Public Administration Principles outlined in this publication, a result of a long-standing successful partnership between the European Commission and the OECD/SIGMA, will greatly facilitate progress on this challenging agenda.

Foreword

Mari Kiviniemi

Deputy Secretary-General, OECD



Good governance and a well-functioning public administration are essential in building and sustaining trust in government, and in creating the necessary structural reforms for increased living standards in society. The relevance of good administration became particularly evident during the course of the global financial crisis. Limited resources focused national and international discussions on government performance, making it clear that good governance has a significant impact on how well the money available is turned into systemic results and outcomes.

This is a familiar challenge for the governments of countries aiming to integrate with the EU, as the accession process requires implementation of fundamental reforms within often constrained financial circumstances.

The OECD and the European Commission have united their forces for more than 20 years through the SIGMA initiative. It provides support for strengthening public administrations and implementing governance reforms in EU potential accession and neighbourhood countries.

The Principles of Public Administration are a result of that successful co-operation. They combine EU accession process dynamics with OECD governance expertise and converging decades of experience from both OECD countries and EU member states, including former accession countries. The Principles provide a detailed definition of good public administration that countries should be aiming for. For the first time, the Principles offer a monitoring framework for governments and policy makers to follow-up the application of the reforms needed over time.

Through the strong focus on implementation of reforms and collecting evidence on government performance, the Principles are not only a set of requirements but also assist in designing a public administration reform vision and serve as a reform helpmate for key decision makers.

Taken as a whole, the new, strengthened framework for public administration reform will focus better the joint efforts of governments, the European Commission and OECD in improving the performance of public administrations.



Introduction

PUBLIC ADMINISTRATION REFORM IS FUNDAMENTAL IN THE EUROPEAN UNION INTEGRATION PROCESS

A well-functioning public administration is a prerequisite for transparent and effective democratic governance. As the foundation of the functioning of the state, it determines a government's ability to provide public services and foster the country's competitiveness and growth. It also plays a fundamental role in the European integration process by enabling the implementation of crucial reforms and organising efficient accession dialogue with the European Union (EU). Hence, the EU enlargement criteria recognise and emphasise the need for a country to build a national public administration with the capacity to pursue

principles of good administration and effectively transpose and implement the *acquis communautaire*.

The European Commission (EC) has strengthened its focus on public administration reform (PAR) by outlining six key issues of reform¹ and better integrating reform in the enlargement process through Special Groups on PAR and stronger links with accession negotiations.

The six key reform areas set out by the Commission form the basis of the Principles of Public Administration, as described below.

AIM AND FOCUS OF THE PRINCIPLES OF PUBLIC ADMINISTRATION

The Principles define what good governance entails in practice and outline the main requirements to be followed by countries during the EU integration process. The Principles also feature a monitoring framework enabling regular analysis of the progress made in applying the Principles and setting country benchmarks.

The concept of “good administration” has been progressively defined by EU countries and is included in the EU Charter of Fundamental Rights². The notion of a “European Administrative Space” was set out by SIGMA in 1999³. It includes components such as reliability, predictability, accountability and transparency, as well as technical and managerial competence, organisational capacity, financial sustainability and citizen participation.

Although general good governance criteria are universal, these Principles are designed for countries that seek EU accession and receive EU assistance through the Instrument for Pre-accession Assistance (IPA). The *acquis* requirements, as well as other EU guidelines and instructions, are the core of the Principles in the areas where *acquis* is in place. In other areas, the Principles are derived from international standards and requirements, as well as good practices in EU Member States and/or OECD countries. As a minimum benchmark of good administration, countries should ensure compliance with these fundamental Principles.

In each country, the Government's attention to a given Principle may vary depending on the governance structure, the administrative culture, the key country-specific challenges and the previous reform record. Thus, the framework enables establishment of a coherent set of requirements in all countries, while allowing a given country some flexibility in setting its PAR challenges and objectives.

The Principles cover an area of the public sector referred to as "state administration". This denomination is widely used in the countries of the Western Balkans. It indicates the two main elements of the scope: "public administration" at "state (national or central) level". The Principles also cover independent constitutional bodies, as well as the Parliament and judiciary within the scope of their scrutiny and oversight powers over the state administration.

The Principles are complemented by a monitoring framework, which makes it possible to follow the progress made over time in developing the public

administration. The monitoring framework features both quantitative and qualitative indicators; it focuses on the implementation of reforms and the outcomes on the system, i.e. how the administration performs in practice. Qualitative indicators measure the maturity of relevant public administration components on a scale of 1 (the lowest result) to 5 (the highest result)⁴. The evidence and data necessary for monitoring are collected during the OECD/SIGMA annual PAR assessment process. In addition to the indicators developed by SIGMA, the monitoring framework uses, where relevant, internationally recognised indicators (e.g. by the World Economic Forum and the World Bank).

The extent to which a given candidate country or potential candidate applies these Principles in practice is an indication of the capacity of its national public administration to implement effectively the *acquis communautaire*, in accordance with the criteria defined by the European Council in Copenhagen (1993) and Madrid (1995).



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

PRINCIPLE 1:

The Government has developed and enacted an effective public administration reform agenda that addresses key challenges.

PRINCIPLE 2:

Public administration reform is purposefully implemented; reform outcome targets are set and regularly monitored.

PRINCIPLE 3:

Financial sustainability of public administration reform is ensured.

PRINCIPLE 4:

Public administration reform has robust and functioning co-ordination structures at both the political and administrative level to steer and manage the reform design and implementation process.

PRINCIPLE 5:

One leading institution has the responsibility and capacity to manage the reform process; involved institutions have clear accountability and reform implementation capacity.



QUANTITATIVE INDICATORS

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

QUALITATIVE INDICATORS

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

2

Policy Development and Co-ordination

**PRINCIPLE 1:**

Centre of government institutions fulfil all functions critical to a well-organised, consistent and competent policy making system.

PRINCIPLE 2:

Clear horizontal procedures for governing the national European integration process are established and enforced under the co-ordination of the responsible body.

PRINCIPLE 3:

Harmonised medium-term policy planning, with clear whole-of-government objectives, exists and is aligned with the financial circumstances of the Government; sector policies meet the Government objectives and are consistent with the medium-term budgetary framework.

PRINCIPLE 4:

A harmonised medium-term planning system for all processes relevant to European integration exists and is integrated into domestic policy planning.

PRINCIPLE 5:

Regular monitoring of the Government's performance enables public scrutiny and ensures that the Government is able to achieve its objectives.

PRINCIPLE 6:

Government decisions are prepared in a transparent manner and based on the administration's professional judgement; the legal conformity of the decisions is ensured.

PRINCIPLE 7:

The Parliament scrutinises government policy making.

PRINCIPLE 8:

The organisational structure, procedures and staff allocation of the ministries ensure that developed policies and legislation are implementable and meet Government objectives.

PRINCIPLE 9:

The European integration procedures and institutional set-up form an integral part of the policy development process and ensure systematic and timely transposition of the *acquis*.

PRINCIPLE 10:

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

PRINCIPLE 11:

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

PRINCIPLE 12:

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



Examples of indicators

QUANTITATIVE INDICATORS

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

QUALITATIVE INDICATORS

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

3

Public Service and
Human Resource
Management

PRINCIPLE 1:

The scope of public service is adequate, clearly defined and applied in practice.

PRINCIPLE 2:

The policy and legal framework for a professional and coherent public service is established and applied in practice; the institutional set-up enables consistent and effective human resource management practices across the public service.

PRINCIPLE 3:

The recruitment of public servants is based on merit and equal treatment in all its phases; the criteria for demotion and termination of public servants are explicit.

PRINCIPLE 4:

Direct or indirect political influence on senior managerial positions in the public service is prevented.

PRINCIPLE 5:

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

PRINCIPLE 6:

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 7:

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



QUANTITATIVE INDICATORS

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

QUALITATIVE INDICATORS

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

4

Accountability



PRINCIPLE 1:

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

PRINCIPLE 2:

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

PRINCIPLE 3:

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

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 wrongdoing and guarantee redress and/or adequate compensation.



QUANTITATIVE INDICATORS

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

QUALITATIVE INDICATORS

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

5

Service Delivery



PRINCIPLE 1:

Policy for citizen-oriented state administration is in place and applied.

PRINCIPLE 2:

Good administration is a key policy objective underpinning the delivery of public 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).
- Number of one-stop-shops that provide services for more than three different public institutions.
- Share of institutions that are wheelchair-accessible.

QUALITATIVE INDICATORS

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

6

Public Financial Management

**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 time horizon of three years; all budget organisations operate within it.

PRINCIPLE 2:

The Budget is formulated in line with the national legal framework, with comprehensive spending appropriations that are consistent with the medium-term budgetary framework and are observed.

PRINCIPLE 3:

The Ministry of Finance or authorised central treasury authority centrally controls disbursement of funds from the treasury single account and ensures cash liquidity.

PRINCIPLE 4:

A clear debt management strategy is 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 financial management and control defines responsibilities and powers; its application by the budget organisations is consistent with the legislation governing public financial management and public administration in general.

PRINCIPLE 7:

Each public organisation implements financial management and control in line with the overall financial management and control policy documents.

PRINCIPLE 8:

The operational framework for internal audit reflects international standards and its application by the budget organisations is consistent with the legislation governing public administration and public financial management in general.

PRINCIPLE 9:

Each public organisation implements internal audit in line with the overall internal audit policy documents, as appropriate for the organisation.

PRINCIPLE 10:

Public procurement regulations (including public-private partnerships and concessions) are aligned with the *acquis*, include additional areas not covered by the *acquis*, are harmonised with corresponding regulations in other fields, and are duly enforced.

PRINCIPLE 11:

There is central institutional and administrative capacity to develop, implement and monitor procurement policy effectively and efficiently.

PRINCIPLE 12:

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

**PRINCIPLE 13:**

Public procurement operations comply with basic principles of equal treatment, non-discrimination, proportionality and transparency, while ensuring the most efficient use of public funds and making the best use of modern procurement techniques and methods.

PRINCIPLE 14:

Contracting authorities and entities have the appropriate capacities and practical guidelines and tools to ensure professional management of the full procurement cycle.

PRINCIPLE 15:

The independence, mandate and organisation of the Supreme Audit Institution are established and protected by the constitutional and legal framework and are respected in practice.

PRINCIPLE 16:

The Supreme Audit Institution applies standards neutrally and objectively to ensure high-quality audits that positively impact on the functioning of the public sector.



QUANTITATIVE INDICATORS

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

QUALITATIVE INDICATORS

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



Endnotes

1. “Enlargement Strategy and Main Challenges 2014-2015”, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions; COM(2014) 700 final, 8.10.2014 Brussels.
2. Art. 41. Right to good administration. 1. Every person has the right to have his or her affairs handled impartially, fairly and within a reasonable time by the Institutions, bodies and agencies of the Union. 2. This right includes: the right of every person to be heard, before any individual measure which would affect him or her adversely is taken; the right of every person to have access to his or her file, while respecting the legitimate interests of confidentiality and of professional and business secrecy; the obligation of the administration to give reasons for its decisions.
3. “European Principles for Public Administration”, SIGMA Papers, No. 27, OECD Publishing, <http://www.oecd-ilibrary.org/docserver/download/5kml60zwd7h.pdf?expires=1398415030&id=id&accname=guest&checksum=FD455B0079C9FE4E957DE2E41D6A25CA>
4. In the overview booklet, examples of indicators are provided. The complete monitoring framework is presented in the full version of the Principles of Public Administration.

Read more about the Principles of Public Administration



The sub-principles specifying the requirements under each principle and the methodology for analysing a country's performance against the Principles are outlined in the full version of the Principles of Public Administration, which is digitally available on the OECD/SIGMA website:

www.sigmaweb.org

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