



ReSPA

Regional School
of Public Administration

The Optimization of Public Administration in the Western Balkan Region

Comparative Study with Baseline Analysis



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ReSPA is a joint initiative of the countries of the European Union and the Western Balkans working towards fostering and strengthening the regional cooperation in the field of public administration among its Member States. It seeks to offer excellent innovative and creative training events, networking activities, capacity building and consulting services to ensure that the shared values of respect, tolerance, collaboration and integration are reaffirmed and implemented throughout the public administrations in the region.

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Foreword

By Ms. Ratka Sekulović
ReSPA Director

Since 2014 the European Commission has tried to strengthen the credibility of enlargement policy and has enhanced its transformative power by ensuring a stronger focus on the three pillars of enlargement process: the rule of law, economic governance and public administration reform. This approach is based on the conclusion that public administration remains weak in most enlargement countries, with limited administrative capacity, high levels of politicization and a lack of transparency. This new approach to the prioritization of the enlargement process influences additional efforts among ReSPA members towards the optimization of their public administrations.

Optimization of public administration involves constant pressure on public servants and other resources to be used as efficiently as possible, in accordance with defined public policies and their priorities. Therefore, optimization policy must be part of a broader set of overarching public administration reform. In that way, public administration reform and the optimization of public administration will have a lasting effect. So, gradual optimization, as a consequence of the need to adaptation to global changes, is the mainstream process in public administrations in modern countries. This wider reform perspective of the optimization and restructuring of the public administration is important for all ReSPA members.

The regional comparative study with the baseline analysis on the optimization of public administrations in the Western Balkan region is an important precondition for broad, comprehensive, competent and fruitful discussion at the ReSPA 9th Annual Conference devoted to the same topic: The Optimization of Public Administration in the Western Balkans. The main objective of the Conference is to improve knowledge about the optimization processes in European countries and to share experiences in optimization and enhancing efficiency in public administration in ReSPA members. The ReSPA Annual Conference aims to provide an opportunity for practitioners and experts from the countries of the Western Balkans and the EU to share their experiences, methodologies, lessons learned and innovative practices.

ReSPA strongly believes that this Study is an excellent opportunity for the governments of the Western Balkan countries to reconsider the importance of further optimization of Public Administration. I am sure that this Study marks the beginning of future structured debates on the optimization of public administrations across the countries of the Western Balkan region. I wish to express my gratitude to the authors on their great work, and my appreciation also goes to the ReSPA liaison officers and the whole ReSPA team who made a great effort to ensure that the Study would be prepared in time for our 9th Annual Conference.

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1 * This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ opinion on the Kosovo declaration of independence

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Abbreviations

Acquis	The EU acquis communautaire
AFMIS	Albanian Financial Management Information System
AGFIS	Albanian Government Financial Information System
AGS	Annual Growth Survey
AMECO	Annual Macroeconomic Database (EU)
AL	Albania (ISO code of the country)
AP	Action Plan
ASPA	Albanian School of Public Administration
APS	Automatic Productivity Cuts
BH	Bosnia and Herzegovina
BA	Bosnia and Herzegovina (ISO code of the country)
BD BH	Brčko District of Bosnia and Herzegovina
CCEQ	Candidate Countries Economic Quarterly (EC)
CEFTA	Central European Free Trade Area (today CEFTA 2006)
CMPAR	Council of Ministers for Public Administration Reform (Kosovo)
CSHRDS	Civil Service Human Resources Development Strategy
CoM BH	Council of Ministers of Bosnia and Herzegovina
CoG	Central Government
CS	Civil Service
CSA	Civil Service Agency
CSP	Country Strategy Paper
CSOs	Civil Society Organizations
CSC	Civil Service Commission
CSL	Civil Service Law
CSPAR	Cross-Cutting Strategy of Public Administration Reform
DB	Doing Business
DDPFFA	Department for Development Programming, Financing and Foreign Aid
DMPAR	Department for Managing Public Administration Reform
DoPA	Department of Public Administration (Albania)
DSDCFA	Department of Strategy and Coordination of Foreign Aid
EAS	European Administrative Space
EC	European Commission
ENP	European Neighbourhood Policy
EPsA	European Public Sector Awards
EPSIS	European Public Sector Innovation Scoreboard
ERP	Economic Reform Programme
ESA	European System of Accounts
EU	European Union
EU 28	BE – Belgium, BG – Bulgaria, CZ – Czech Republic, DK – Denmark, DE – Germany, EE – Estonia, IE – Ireland, EL – Greece, ES – Spain, FR – France, HR – Croatia, IT – Italy, CY – Cyprus, LV – Latvia, LT – Lithuania, LU – Luxembourg, HU – Hungary, MT – Malta, NL – Netherlands, AT – Austria, PL – Poland, PT – Portugal, RO – Romania, SI – Slovenia, SL – Slovakia, FI – Finland, SE – Sweden, and UK – United Kingdom (ISO codes of EU Member States);
EUPAN	European Union Public Administration Network
EP	European Partnership
FBH	Federation of Bosnia and Herzegovina
FRIDOM	Functional Review and Institutional Design of Ministries
GoA	Government of Albania
GEPAR	Group of Experts for Public Administration Reform
GDP	Gross Domestic Product

GG	General Government
HR	Human Resources
HRM	Human Resource Management
HRMA	Human Resource Management Agency (Montenegro)
HRMS	Human Resource Management Service (Serbia)
HRMIS	Human Resource Management Information System
IIWG	Inter-Institutional Working Group
IT	Information Technology
ICT	Information and Communications Technology
ILMR	Internal Labour Market Records
IPA	Instrument of Pre-Accession Assistance
IPS	Integrated Planning System
JMB	Joint Management Board
KIPA	Kosovo Institute for Public Administration
KS	Kosovo (acronym used in the Study)
LGA	Legislative Gap Analysis
LSG	Local Self-Government
MoE	Ministry of the Economy
Mol	Ministry of the Interior
MIPA	Ministry of Innovation and Public Administration (Albania)
ME	Montenegro (ISO code of the country)
MEI	Ministry of European Integration
MFAEI	Ministry of Foreign Affairs and European Integration
MK	Republic of Macedonia (ISO code of the country)
MF	Ministry of Finance
MISA	Ministry of Information Society and Administration (Macedonia)
MLGA	Ministry of Local Government Administration
MPA	Ministry of Public Administration (Kosovo)
MPALSG	Ministry of Public Administration and Local Self-Government (Serbia)
MS	Member States
MTBP	Mid-Term Budget Programme
MTEF	Mid-Term Expenditure Framework
NACE	Nomenclature statistique des activités économiques dans la Communauté européenne
NPAA	National Programme for Adoption of the Acquis
NGO	Non-Governmental Organization
NSDI	National Strategy for Development and Integration
NPISAA	National Plan for the Implementation of the SAA
NPM	New Public Management
OBL	Organic Budget Law
OECD	Organisation for Economic Cooperation and Development
OHR	Office of the High Representative
OPM	Office of the Prime Minister
PA	Public Administration
PAR	Public Administration Reform
PAR WG	Public Administration Reform Working Group
PAM	Performance Assessment Matrix
PARAP	Public Administration Reform Action Plan
PARCO	Public Administration Coordinator's Office, Bosnia and Herzegovina
PARF	Public Administration Reform Fund
PFM	Public Finance Management
PIFC	Public Internal Financial Control
PM	Prime Minister
PPI	Public Procurement of Innovation
PPP	Public Private Partnership
PPS	Purchasing Power Standard (or PPP – Purchasing Power Parity)
RAP1	Revised Action Plan 1
RCC	Regional Cooperation Council
ReSPA	Regional School of Public Administration
RPM	Reform Progress Monitoring
RoL	Rule of Law

RS	Republic of Serbia (ISO code of the country)
RoS	Republic of Srpska
RIA	Regulatory Impact Assessment
SAA	Stabilisation and Association Agreement
SAP	Stabilisation and Association Process
SBA	Small Business Act
SDF	Strategic Development Framework
SDP	Strategic Development Plans
SEE	South Eastern Europe
SEIO	Serbian European Integration Office
SG	Secretariat General
SIGMA	Support for Improvement in Governance and Management
SLI	Sector Lead Institution
SNA	System of National Accounts
SNEER	Single National Electronic Registry of Regulation
SNRAP	Cross-Cutting Public Administration Reform Strategy of Albania
SOEs	State-Owned Enterprises
SPMA	Strategic Plan of the Ministry of Administration
SWG	Sector Working Group
TIPA	Training Institute for Public Administration
TWG	Technical Working Group
TA	Technical Assistance
UNDP	United Nations Development Programme
WB	Western Balkan (region)
WB6	Albania, Bosnia and Herzegovina, Macedonia, Montenegro, Serbia and Kosovo
WEF	World Economic Forum
WGI	Worldwide Governance Indicators



Introduction

The Regional School of Public Administration (ReSPA) is an inter-governmental organization for enhancing regional cooperation, promoting shared learning and supporting the development of public administration in the Western Balkans. ReSPA's members are: Albania, Bosnia and Herzegovina, Macedonia, Montenegro and Serbia, while Kosovo is a beneficiary and observer. The European Commission (EC) provides directly managed funds to support ReSPA's activities (research, training and networking programmes) in line with the EU accession process. Since 2014, the European Commission has tried to strengthen the credibility of enlargement policy and enhanced its transformative power by ensuring a stronger focus on the three pillars of enlargement process: the rule of law (RoL), economic governance and **public administration reform (PAR)**. This new approach to prioritization of the enlargement process influences the additional efforts among ReSPA beneficiaries to optimize their public administrations. Consequently, the ReSPA Programme of Work 2016–2017 consists of three pillars: European Integration, Public Administration and Governance for Growth.

ReSPA's mission is to improve regional co-operation, promote shared learning and support the development of public administration within the Western Balkan region and through this, to support integration into the EU. ReSPA's vision is the realization of a modern, effective, innovative, accountable and professional public administration in the Western Balkans. ReSPA's Strategic Framework 2016–2020 defines three related goals: to increase governments' effectiveness, to increase the capacity of public administration among ReSPA's members necessary for the successful conducting of the European Integration process, and to professionalize and modernize public administrations across the region and build a shared commitment to a quality public service. Consequently, ReSPA's Programme of Work 2016–2017 consists of three pillars: European Integration, Public Administration and Governance for Growth.

The focus of this regional comparative study is optimization of the public administration process in **the Western Balkan region**. The countries of the Western Balkans are at different stages of the process of integration into the EU and therefore there are different demands on the countries, but the requirements of the EU in terms of accession are the same for all the countries, and therefore for ReSPA's beneficiaries.

Optimization of public administration could be defined as a process or methodology of making public administration as fully functional or effective as possible. Public administrations must be able to keep up with fast-changing social, economic and technological changes in order to fulfil their responsibilities to protect the public interest. Bearing in mind that an optimizing economy depends directly on an equal optimizing of the administration, policymakers should take steps to allow the strengthening of public administration capacities to be able to follow trends in the economy.

As has already been mentioned, the regional comparative study with baseline analysis on the optimization of public administrations in the Western Balkan region is an **important contribution to ReSPA's priorities**. The study encompasses the current state in the optimization of public administration in WB countries, and comparisons among the countries of the WB region as well as between WB countries and EU Member States in the achieved

progress, with a special focus on potential regional cooperation in this process. In addition, the research produces a specific conclusion and recommendations regarding the optimization of public administration in WB countries.

The overall objective of this comparative regional study is to analyse and review the implemented PAR optimization measures in the selected EU Member States and Western Balkan countries and to provide recommendations for the improvement of such practices in the region. The study was carried out using a combination of desk research, a questionnaire filled out by ReSPA liaison officers and several expert meetings and discussions organized within the ReSPA programme.

The study contains five sections. Section I is devoted to optimization policy in public administration including the experiences of the EU Member States. Section II is focused on an analysis of the importance of optimizing the public administration in WB countries, explaining the institutional framework for PAR, as well as the size, cost and effects of public administration in the region. Section III provides an overview of the optimization policies and mechanisms in the WB region. Section IV is devoted to regional cooperation in the process of optimizing public administration with proposed potential areas of intervention and models of regional cooperation detailed. The proposals are based on current and planned future regional joint efforts and initiatives through ReSPA. Section V outlines the overall conclusions and recommendations. Country-specific recommendations, including selected indicators, can be found in Annex 1, while SWOT analysis of the Optimization of Public Administration in the WB and its countries is in Annex 2.

Special thanks go to the ReSPA liaison officers, who contributed to the quality of the study: Iris Buzi (Albania), Dalibor Čopić, Samra Ljuca and Selma Horić (Bosnia and Herzegovina), Laura Idrizi (Macedonia), Blaženka Dabanović and Dina Dobardžić (Montenegro), Dragana Brajović (Serbia) and Ariana Brinxniku Ejupi (Kosovo).

The study has been prepared to serve as the main document for discussion at the ReSPA Annual Conference, scheduled for November 2016.

I OPTIMIZATION POLICY IN PUBLIC ADMINISTRATION

“Much more important than the size of government is its quality ... There is a very powerful correlation between the quality of government and good economic and social outcomes.”

Francis Fukuyama²

1. Origins, role and chronology

Public administration³ is a broad-ranging and amorphous combination of theory and practice that is meant to promote a superior understanding of government and its relationship with the society it governs, as well as to encourage public policies that are more responsive to social needs and to institute managerial practices attuned to effectiveness, efficiency⁴, and the deeper human requisites of the citizenry⁵. Throughout the 20th century the study and practice of public administration has been essentially pragmatic and normative rather than theoretical. This may explain why public administration, unlike some social sciences, developed without much concern to there being an encompassing theory. Not until the mid-20th century and the dissemination of German sociologist Max Weber's theory of bureaucracy⁶ was there much interest in a theory of public administration. Most recent theory of bureaucracy, however, has come from the private sector, and there has been little effort to relate organizational theory to political theory⁷. In other words, “public administration”, from an *academic* angle, despite gaining recognition among universities as a field of study only after World War II, existed earlier as a discipline embedded within political science and other cameral sciences. From the *public* angle, although it has been developed, explored, written about and discussed along with broader and narrower public issues, Public Administration is as old as civilized society itself⁸. With the increasing intri-

2 Fukuyama Francis, *Political Order and Political Decay*, from the industrial revolution to the Globalization of Democracy, Farrar, Straus and Giroux, 2014, p.39.

3 ‘Public’ generally connotes bureaucracy while ‘administration’ is related to: planning, organizing, commanding, coordinating and controlling (according to: Fayol Henri; *General and Industrial Management*, Martino Publishing, Mansfield Centre, CT, 2013, pp.43–110);

4 Effectiveness – doing the right things (right goals); Efficiency (effectiveness +) – doing the right things right, doing things in an optimal way (usually cost-efficient) (<http://www.insightsquared.com/2013/08/effectiveness-vs-efficiency-whats-the-difference/>)

5 Nicholas Henry, *Public Administration and Public Affairs*, Routledge, 12th edition, 2016, p.5.

6 Weber created the idea of *bureaucratic* management where organizations are more authoritative, rigid and structured. He argued that bureaucracy constitutes the most efficient and rational way in which one can organize human activity, and that systematic processes and organized hierarchies were necessary to maintain order, maximize efficiency and eliminate favouritism.

7 Mosher C. Frederic, Chapman Brian, Page C. Edward, *Public administration* (available on <https://www.britannica.com/topic/public-administration>).

8 Bureaucracy is in our bones. Prehistoric evidence unearthed at archaeological digs suggests that the rudiments of a bureaucratic social order were in place 19,000 years ago. (Scott Van Nystrom and Luella C. Nystrom, “Bureaucracy in Prehistory: Case Evidence from Mammoth Bone Dwellers on the Russian Steppe”, *International Journal of Public Administration*, 21, Winter 1988, pp.7–23.)

cacy of our lives, the importance of public administration is experiencing something of an upturn. There hardly remains any aspect of citizens' life that does not come into contact with some government agency⁹.

Public administration is a feature of all nations, whatever their system of government. Within these nations, public administration is practiced at the central, intermediate, and local levels. Indeed, the relationships between the different levels of government within a single nation constitute a growing problem of public administration.

A prominent principle of public administration has been **economy and efficiency**, that is, the provision of public services at the minimum cost. This has usually been the stated objective of administrative reform. Despite growing concern about other kinds of values, such as responsiveness to public needs, justice and equal treatment, and citizens' involvement in government decisions, efficiency continues to be a major goal.

In its concern with efficiency and improvement, public administration has focused frequently on questions of formal organization. It is generally held that administrative ills can be at least partly corrected by **reorganization**. Many organizational principles originated with the military, a few from private business. They include, for example: (1) organizing departments, ministries, and agencies on the basis of common or closely related purposes; (2) grouping like activities into single units; (3) equating responsibility with authority; (4) ensuring unity of command (only one supervisor for each group of employees); (5) limiting the number of subordinates reporting to a single supervisor; (6) differentiating line (operating or end-purpose) activities from staff (advisory, consultative, or support) activities; (7) employing the principle of management by exception (only unusual problems or cases are brought to the notice of the top level); and (8) having a clear-cut chain of command downwards and chain of responsibility upwards. Some critics have maintained that these and other principles of public administration are useful only as rough criteria for given organizational situations. They believe that organizational problems differ and that the applicability of rules to various situations also differs. Nonetheless, and despite much more sophisticated analyses of organizational behaviour in recent decades, such principles as those enumerated above continue to remain in force¹⁰.

In addition, this approach leads us to the **optimization¹¹ of public administration** as a process or methodology of making public administration as fully functional or effective as possible. The need for the optimization of the economy has significant implications for public policy. Public administrations must be able to keep up with fast-changing social, economic and technological requests in order to fulfill their responsibilities to protect the public interest without jeopardizing the necessary changes. An optimizing economy depends directly on an equally optimizing government (i.e. public administration). Policymakers should be able to unite behind efforts to optimize the government, taking steps to strengthen the government's capacity to better match the most significant trends in entrepreneurship and economic growth.¹²

Public administration has also put an emphasis upon personnel. In most countries adminis-

9 Kumar Arun, Priyadarshani Singh, *Public Administration and Small Business Entrepreneurship*, 2014 Cambridge Conference Business & Economics, July 1–2, 2015, Cambridge, UK, pp.2–3.

10 Mosher C. Frederic, Chapman Brian, Page C. Edward, *Public Administration* (available at <https://www.britannica.com/topic/public-administration>).

11 Optimization: Finding an alternative with the most cost effective or highest achievable performance under the given constraints, by maximizing desired factors and minimizing undesired ones. In comparison, maximization means trying to attain the highest or maximum result or outcome without regard to cost or expense (<http://www.businessdictionary.com/definition/optimization.html>).

12 C. Coglianese, *Optimizing Government for an Optimizing Economy*, University of Pennsylvania Law School, Faculty Scholarship. Paper 1646, 2016 (http://scholarship.law.upenn.edu/faculty_scholarship/1646).

trative reform has involved **civil service reform**. Historically, the direction has been towards “meritocracy”—the best individual for each job, competitive examinations for entry, and selection and promotion on the basis of merit. Attention has increasingly been given to factors other than intellectual merit, including personal attitudes, incentives, personality, personal relationships and collective bargaining. In addition, **the budget** has developed as a principal tool in planning future programmes, deciding priorities, managing the current programmes, linking the executive with the legislature, and developing control and accountability¹³.

Today, all developed democracies face huge, long-term challenges from unsustainable spending commitments made in years past that will only increase as the population age and birth rate decline¹⁴.

Another modern movement in public administration has been **the greater participation of citizens in government**. It was stimulated during the 1950s and 1960s by a growing feeling that governments were not responding to the needs of their citizens, particularly minority groups and the poor. A variety of experiments were begun in the 1960s in order to involve citizens or their representatives in making government decisions. These involved the delegation of decision making from central to local offices and, at the local level, the sharing of authority with citizens’ groups.

Gradually, international interest in administrative systems has grown, enhanced by the formation of **international organizations** and the need for the administration of economic recovery programmes for Europe, and by aid programmes for developing countries.

The international dimension of cooperation between state administrations has also developed through the European integration process.

In the late 1970s, the traditional bureaucratic paradigm of most Western governments came under attack. Financial crises, discontent about the inflexibility of administrative procedures and decreasing public trust led to the introduction of new, managerialist ideas in the public sector: **the New Public Management (NPM)**. Governments were expected to become more efficient, result- and customer-orientated, and to offer (better) value for (less) money. Private-sector models were widely prescribed for public-sector tasks. As a consequence, numerous reforms have taken place throughout the world. Financial crises, discontent about the inflexibility of administrative procedures and decreasing public trust have led to the introduction of a new approach in the public sector. Besides the old, traditional ways to manage public administrations, continental European countries have used many of the Anglo-American ideas taken from the NPM, to adjust them to their own national administrative system. In order to improve the efficiency and performance of Western public administration, various measures have been used: decentralization of administrative functions; more contractualization or contract-like relationships instead of traditional hierarchical controls; new market-type mechanisms like vouchers, competitive tendering and outsourcing; more attention for public managers and their management skills; and new management techniques for the public sector like HRM, benchmarking and result-orientated planning and control. As a consequence, reforms of the public sector may have

13 The struggle for control over budgets, particularly in the Western world, began centuries ago and at times was the main aspect of the relationship between monarchs and their subjects. The modern executive budget system in which the executive recommends, the legislature appropriates and the executive oversees expenditures originated in 19th-century Britain. In the United States during the 20th century, the budget became the principal vehicle for legislative surveillance of administration, executive control of departments and departmental control of subordinate programmes. It has been assuming a similar role in many of the developing countries of the world (Mosher C. Frederic, Chapman Brian, Page C. Edward, Public Administration (available at <https://www.britannica.com/topic/public-administration>).

14 Fukuyama Francis, Political Order and Political Decay, from the Industrial Revolution to the Globalization of Democracy, Farrar, Straus and Giroux, 2014, p.39.

the same labels in different countries, but may not be the same in practice or in meaning. NPM is constantly changing its appearance to fit within the national context. This is possible because NPM is not a coherent set of ideas and tools. The labels may be the same, but the underlying story differs all the time. This adaptability begins already with the adoption of reforms.¹⁵ The adaptability of NPM allows different formats for national reforms so as to make them match the context in which they will be implemented. Also, legal requirements may require adaptations of specific reforms, for example in the case of delegation and decentralization of national competencies to lower-level organizations. Besides national characteristics, sectoral differences may also contribute to the adaptation of NPM reforms. Also, the difference between implementation processes is another explanation for the different outcomes of NPM reforms in different countries, bearing in mind that the processes are dynamic and include many variables. In complex systems, unforeseen combinations of factors can shape turning points for new policies and projects. The implementation of a reform depends largely on the way in which it is connected to co-evolving developments, to the context in which the reform is implemented, and to the way in which this context is subject to change as well (evolution).

Some countries have gone a long way with NPM. They have embraced all the instruments of the NPM toolbox and have implemented them over a period of more than three decades (UK). Other countries have been more selective and adaptive, like the Nordic countries, France and, to a lesser extent, Italy and Spain. Their governments give different reasons for adopting particular reforms, adjust them to fit with national circumstances and follow different trajectories of reform (time and speed). Other states, especially in the developing world, and to a lesser extent in Eastern Europe, had NPM ideas imposed or strongly urged on them by Western-dominated international government organizations, such as the EU or the IMF.¹⁶

Another effect of this international communication and sharing of experiences has been the realization that **development** is not exclusive to so-called underdeveloped countries. All countries have continued to develop, and public administration has increasingly been perceived as the administration of planned change in societies that themselves have undergone rapid change, not all of it planned.

The government is no longer merely the keeper of the peace and the provider of basic services: in the post-industrial era the government has become a principal innovator, a determinant of social and economic priorities, and an **entrepreneur on a major scale**. With virtually every significant problem or challenge – from unemployment to clean air – people have looked to the government for solutions or assistance. The tasks of planning, organizing, coordinating, managing and evaluating modern governments have likewise become vast in both dimension and importance¹⁷.

15 For example, politicians from different countries mention very different motives and objectives for the same reforms. State modernizers, like the Nordic countries, emphasize the contribution of reforms to a strong state and active citizenship, while marketizing governments like the UK refer to a retreat of the state, selling off all non-essential state tasks. A striking example is the motivation for an increased use of ICTs; e-government is meant to improve service delivery to clients (rather than citizens) in the UK, and to improve citizens' participation in government affairs in Denmark (empowerment).

16 C. Pollitt, S. van Thiel, V. Homburg, *New Public Management in Europe, October 2007 in Management Online Review*, (https://www.researchgate.net/publication/228545289_The_new_public_management_in_Europe).

17 Ibid.

2. Modernizing/optimizing public administration in the EU and its Member States

The lessons learned from the recent economic, financial and sovereign debt crises have led to important reforms of the EU's economic governance rules and the 28 Member States (MS). Surveillance systems have been strengthened for budgetary and economic policies and a new budgetary timeline for the euro zone has been introduced.

Table 1. Implementation of the European semester¹⁸

Monitoring (EC)	Prevention (EC and MS)	Correction (EC and MS)
<ul style="list-style-type: none"> • Analysis of economic data • Forecasts • Annual Growth Survey (AGS)¹⁹ • Alert Mechanism Report²⁰ followed by In-depth Reviews²¹ 	<ul style="list-style-type: none"> • Medium-Term Objectives (setting of a budgetary targets by MS for fiscal sustainability)²² • Stability Programmes and Convergence Programmes²³ (MS planned budgetary measures) • MS National Reform Programmes²⁴ • EC assessment of draft budgetary plans (for euro-zone MS) • EC country-specific recommendations²⁵ 	<ul style="list-style-type: none"> • Excessive Deficit Procedure (EDP)²⁶ • Excessive Imbalance Procedure²⁷

The European Union's economic governance framework aims to detect, prevent and correct problematic economic trends such as excessive government deficits or public debt levels, which can stunt growth and put economies at risk. Implementation of the EU's economic governance framework is organized in an annual cycle known as the European Semester²⁸.

18 EU economic governance (http://ec.europa.eu/economy_finance/economic_governance/index_en.htm).
19 Ibid..
20 Published towards the end of each year, the Annual Growth Survey analyses the progress that the EU has made towards its long-term, strategic priorities, and provides an in-depth assessment of employment and macroeconomic trends. In this way, the Annual Growth Survey sets the priorities of the EU for the year to come.
21 EC identifies countries that may experience imbalances.
22 For each MS identified in the Alert Mechanism Reports.
23 EU Member States base their budgets on a set of commonly agreed priorities to address economic risks and challenges detected by the European Commission.EA MS are obliged to present draft budgetary plans for the following year to the Commission and to their partners in the euro zone. In case these budgetary policies are unrealistic and/or pose serious threats, they can be asked to submit a revised draft budgetary plan.
24 In April, all EU Member States present to the Commission the budgetary measures that they intend to implement in order to fulfil their commitments. Those that use the euro as their currency do this through 'Stability Programmes', while the rest submit 'Convergence Programmes'.
25 EU Member States also submit details of the structural reforms they are planning in order to boost growth and jobs in 'National Reform Programmes'.
26 The EDP is a set of rules for MS with excessive budget deficits of more than 3% of GDP, or which are failing to reduce their excessive debts (above 60% of GDP). The EU can make recommendations to national governments whenever they are warranted by the circumstances.
27 MS with excessive imbalances have to submit corrective action plans with a clear roadmap and deadlines.
28 http://ec.europa.eu/economy_finance/economic_governance/index_en.htm.

As it is presented in Table 1, implementation of the EU's economic governance through the European Semester consists of the following: the EC analyses the fiscal and structural reform policies of every Member State, provides recommendations and monitors their implementation; then the Member States implement the commonly agreed policies.

2.1. Modernizing public administration as a priority of the European Semester

Modernizing public administration has been one of the five key priorities of the European Semester since 2012²⁹. The quality of public administration at the EU, national, regional and local levels is a determining element of competitiveness, and an important productivity factor. The on-going pressure on public finances is driving major changes and restructuring of the public sector. What is a challenge must be turned into an opportunity. Although public sector reform cannot be achieved overnight, there is a need to give it a new impetus under the current circumstances.

In many Member States, inefficient public administrations, weak judicial capacity and legal uncertainty remain major obstacles to industrial competitiveness and economic growth. While the importance of reforms in this area is increasingly recognized by Member States and some far-reaching measures have been taken in recent years, further efforts are required. In this respect, more Member States received **country-specific recommendations on the effectiveness of their public administration systems and judiciary** at the conclusion of the 2014 European Semester and in 2015³⁰.

The Commission also proposed in the **2016 Annual Growth Survey** numerous country-specific recommendations covering 32 policy areas. For the optimization and modernization process in PA the most important recommended measures are related to PAR and PFM, such as:

- Fiscal policy and fiscal governance;
- Long-term sustainability of public finance, including pensions;
- Combating tax evasion, improving the tax administration and tackling tax avoidance;
- Wages and wage setting;
- The business environment;
- Measures related to public administration as a whole, including modernization³¹;
- Measures related to state-owned enterprises; and
- The shadow economy and corruption.

The EC recommended the **improvement of policy administration** in country-specific recommendations for the period 2016–2017 for the following countries: BG, CY, CZ, EE, ES, FL, HR, HU, IT, LV, PT, RO, SI and SK. In the next European Semester cycle the EC will monitor the implementation of these recommendations.

As part of regular reporting on the competitiveness policies and performance of the EU

29 The priorities are the following: 1. Pursuing differentiated, growth-friendly fiscal consolidation; 2. Restoring normal lending to the economy; 3. Promoting growth and competitiveness; 4. Tackling unemployment and the social consequences of the crisis; and 5. Modernising public administration. (Annual Growth Survey 2012, Brussels, 23.11.2011 COM(2011) 815 final, p.3).

30 Recommendations regarding public administration and smart regulation are delivered to almost all MS (excluding only five countries: DK, BE, NL, SE and UK). An overview of EU country-specific recommendations for 2014–2015 (http://ec.europa.eu/europe2020/pdf/csr2014/overview_recommendations_2014_by_member_state_en.pdf) and recommendations for the modernization of public administration and Rule of Law in AGS 2015 were delivered to majority of MS excluding DK, IE, LT, LU, MT, NL, PL, SE and UK.

31 For the majority of MS, excluding AT, BE, DE, DK, FR, LT, LU, MT, NL, PL, SE and UK. Greece is implementing measures under the EU/IMF financial assistance programme (http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm).

and its Member States, the **growth-friendly public administration scoreboard** ('the Scoreboard') has refined the monitoring of Member States by better covering their public administrations' performance in a number of areas important for the ease of doing business and growth. This, in turn, should encourage continuous improvement by governments and public administrations in the context of the European Semester. The Scoreboard is the first EU-wide exercise to analyse how fit for purpose the Member States' public administrations are when it comes to promoting growth. These activities include the following:

- **Assessing the quality of public administration in Member States**, through (1) the annual Report on Member States' Competitiveness Performance and Policies³²; (2) the study on 'Excellence in Public Administration for Competitiveness in EU Member States', (2012³³); (3) the horizontal thematic fiche on the state of public administration across the EU, which is the basis for assessing progress in the European Semester priority area 'modernising public administration' (2012)³⁴.
- **Public-sector innovation** — (1) The pilot Public-Sector Innovation Scoreboard (EP-SIS), published in 2013; (2) The Public-Procurement Innovation Award (2013) as, EC support for public procurement of innovation (PPI) to push public procurers to go for more innovative products and services; and (3) The establishment of an expert group to support the identification, scoping and definition of possible actions in the area of public sector innovation.
- **Making public administration more responsive to SME needs** — The Small Business Act (SBA) country fact sheets monitor Member States' performance in building business-friendly public administrations³⁵.
- **Civil justice** — An annual EU Justice Scoreboard presenting information on the quality, independence and efficiency of national justice systems has been published since 2013. It covers civil, commercial, administrative and insolvency court cases³⁶.
- **Fighting corruption** — The first EU Anti-Corruption Report was published in February 2014³⁷.
- **E-government** — Significant work on e-government has been done in the framework of the Digital Agenda. There are also ongoing initiatives and programmes at the EU level in areas such as interoperability and standardization.
- **EU funding** — The European Social Fund's 'institutional capacity' gives priority to supporting the strengthening of the capacities of public administrations and public services at the national, regional and local levels;
- **Other instruments and initiatives** — (1) The European Public Sector Awards (EPSA); and (2) The European Public Administration Network (EUPAN)³⁸.

The growth-friendly **public administration scoreboard** assesses performance based on a framework that links public administration and competitiveness in a concise and comparable way, using a manageable number of indicators. To facilitate reform and policy learning, three categories of links were identified, focusing on the dimensions of public administration advocated: governance; capacities; and business-friendly design in key areas of companies' dealings with the administration.

The three categories are broken down into 10 areas that show the longer-term direction necessary to strengthen public administrations and serve as benchmarks to guide policy.

32 http://ec.europa.eu/enterprise/policies/industrial-competitiveness/monitoring-member-states/index_en.htm.

33 http://ec.europa.eu/enterprise/policies/industrial-competitiveness/monitoring-member-states/improving-public-administration/index_en.htm.

34 http://ec.europa.eu/europe2020/making-it-happen/key-areas/index_en.htm.

35 http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm.

36 http://ec.europa.eu/justice/effective-justice/scoreboard/index_en.htm.

37 http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/organized-crime-and-human-trafficking/corruption/anti-corruption-report/index_en.htm.

38 Member States' Competitiveness Report, Public Administration Scoreboard, 2014, pp.52-53; (http://ec.europa.eu/growth/industry/competitiveness/public-administration_en).

To construct the scoreboard, a set of 21 indicators were selected to represent the three categories of links between public administrations and competitiveness. The choice of indicators is constrained by the availability, quality, country coverage, timelines and representativeness of the data. In light of possible improvements in data availability and changing policy priorities, the choice of indicators may evolve over time³⁹.

Table 2. Public administration scoreboard: 3 categories, 10 areas and 21 indicators

10 Areas	21 Indicators
A. Governance (administrative quality, rule of law, legal certainty)	
1. Government effectiveness & corruption	World Bank, Worldwide Governance Indicators
B. Capacities	
2. Public finance	Diversion of public finance ¹⁰ – WEF; Irregular payments and bribes ¹¹ – WEF; Quality of Medium-Term Budgetary Framework – EC; Government investment as a share of total government expenditure;
3. Strategic and implementation capacities	Strategic Capacities; Effective implementation
4. Quality of regulations	Use of evidence based instruments ¹²
C. Business-friendly design in key areas	
5. The use of information and communication technology	User-centricity of e-government services to start a company – EC 2012; User-centricity of e-government services for regular business operations – EC
6. Starting a business and obtaining licences	Time required to start a company (in days), EC; Cost to start a company; Average time in days to obtain licences
7. Public procurement	Government procurement as a driver of business innovation – Eurobarometer; Payment times of public authorities in days ¹³
8. Tax compliance and tax administration	Time needed to comply with tax returns, in hours (WB–DB report)
9. Trade and customs administration	Time needed to export (WB–DB report); Cost of exporting (WB–DB report)
10. Civil justice systems	Time needed to enforce a contract in days (WB–DB report); Cost of enforcing a contract (% of claim), WB–WB report; Time needed to resolve insolvency (WB–DB report)

The most fruitful approach from a practical perspective, considering the scope and quality of data available, seems to be to look at the dimensions of good governance. The Worldwide Governance Indicators of the World Bank (WGI) offer a good starting point for measuring good governance, as they are available for all countries for an extensive time period.

³⁹ Ibid p.54.

⁴⁰ The indicator is the weighted average of the question 'In your country, how common is diversion of public funds to companies, individuals or groups due to corruption? (1 = very common; 7 = never occurs)'.

⁴¹ The indicator is the weighted average of the five components of the question 'In your country, how common is it for firms to make undocumented extra payments or bribes connected with (a) imports and exports; (b) public utilities; (c) annual tax payments; (d) awarding of public contracts and licences; (e) obtaining favourable judicial decisions?(1 = very common; 7 = never occurs)'.

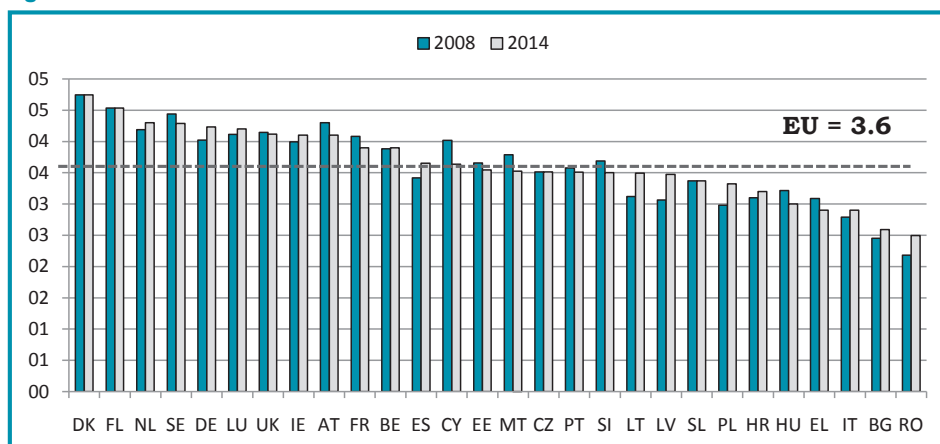
⁴² Strategic Governance Indicator, Bertelsmann Stiftung (three indicators, qualitative assessment by experts).

⁴³ Source: Intrum Justitia.

Government effectiveness is an indicator of general governance that provides a summary assessment of the quality of a public administration in general, depending on its regulatory system, its impartiality and the quality of the services it provides⁴⁴. The EU average WGI is **3.6**⁴⁵ and the best scores are estimated for Denmark (4.7 out of 5.0) and there are 12 countries above the EU average: DK, FL, NL, SE, DE, LU, UK, IE, AT, FR, BE, ES. After these come EL, IT, BG and RO, with a WGI score below 3.0.

The latest data shows that, on average, government effectiveness has not improved much across the EU over the past six years (Figure 1). While many Member States either maintained (6) or improved their position (12) relative to 2008, 10 countries' rankings fell in 2014. The WGI for CY, MT, SE, AT, FR, SI, HU, EL, EE and PT showed a deterioration in performance, while there were specific improvements in 12 countries: LT, LV, PL, RO, DE, ES, BG, IT, HR, NL, LU and IE. Six countries have no change in their WGI value (DK, FL, UK, BE, CZ and SL).

Figure 1. Government effectiveness indicator



Source: World Bank, Worldwide Governance Indicators 2008, 2014

However, perceptions of improvement or deterioration in the overall government performance might have been strongly affected by the severity of the global economic crisis. In that context, in some surveys⁴⁶, three further indicators are added to this indicator, measuring specific aspects of good governance.

2.2. Size, costs and effects of public administration: the European Union

The different administration structures across the Member States are reflected in the financial and personnel resources devoted to their bureaucracy. A substantial part of the spending

44 The estimate gives the country's score on the aggregate indicator, in units of standard normal distribution, ranging from approximately -2.5 to 2.5. The scale has been shifted across to go from 0 to 5, <http://info.worldbank.org/governance/wgi/index.aspx#home>.

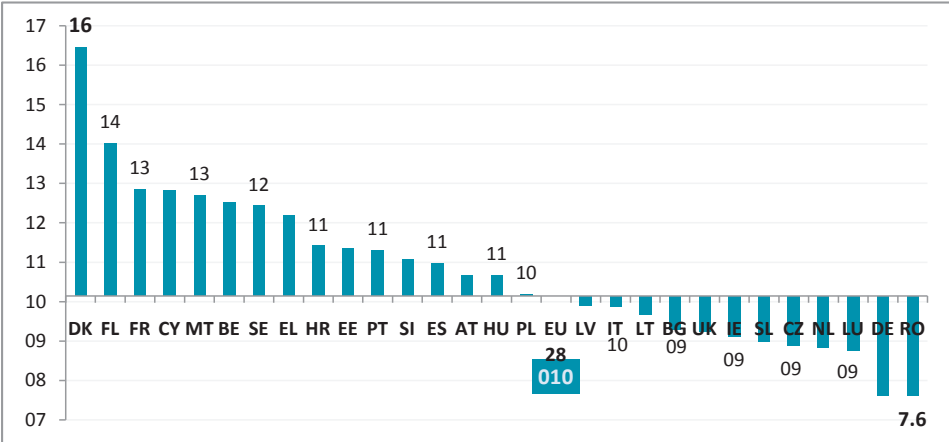
45 This average value was the same in 2008 and 2014.

46 Three further indicators could be added to these indicators, measuring specific aspects of good governance, which are not (adequately) covered by the WGI. These specific aspects are: the level of e-governance, representing the social service component of good governance; the functioning of the rule of law, representing the legislative component of good governance (the level of political rights and civil liberties); and the business-friendliness of the public administration, representing the economic component of good governance. These three indicators add value to the WGI (Goderis Benedikt et al, Public=Sector Achievement in 36 countries, The Netherlands Institute for Social Research, December 2015, p. 257).

differences can be explained by higher expenditures on transfers and social security issues in the EU Member States⁴⁷. High government expenditure levels hence do not necessarily stem from extraordinary spending on administration issues⁴⁸.

The size of a public administration is frequently approximated by the spending on **compensation of employees**⁴⁹ in the government sector⁵⁰, using data from SNA 2010. Compensation includes wages and salaries, plus real (or imputed) social contributions for employees in the government sector. On average, total public spending in Member States is higher than in other highly developed countries in the world.

Table 3. Compensation for employment as a percentage of GDP in EU Member States



In 2015, the share of government spending for the compensation of employees out of GDP is **10.14%** at the EU level. Sixteen MS are above and 12 are below the EU average. The highest level is in DK and FL, then in FR, CY, MT, BE SE and EL. The lowest levels, well below the EU average are observed in RO and DE, then in LU, NL and CZ. Other MS are closer to the EU level. This indicator depicts the personnel cost of the whole range of government activities, as long as the performing entities are classified in the government sector in the ESA 2010 definition, regardless of whether these activities could reasonably be classified as ‘administration’.

To be sure, without referring to the quality of provided services **it cannot be said a priori whether a ‘large’ or a ‘small’ administration is better**. Sizeable differences in government spending on public administration however must not lead to premature conclusions. Smaller levels of expenditure can be a sign of both efficiency in the service provision and

47 Pitlik and Schratzenstaller, 2011; World Bank, 2012.
48 Excellence in Public Administration for Competitiveness in EU Member States, EC, 2014, p.9-10. (Prepared by the Austrian Institute of Economic Research (WIFO), Vienna, Austria, the Centre for European Economic Research (ZEW), Mannheim, Germany and IDEASConsult, Brussels, Belgium).
49 **Compensation of employees** is defined as the total remuneration, in cash or in kind, payable by an employer to an employee in return for work done by the latter during an accounting period. Compensation of employees is made up of the following components: a) wages and salaries; and b) the employers’ social contributions, (European System of Accounts, ESA 2010, EC, Eurostat, 2013, p.121, available at https://www.lb.it/n22873/esa_2010-en_book.pdf).
50 **General Government** – definition according to ESA 2010: the general government sector consists of: institutional units which are non-market producers whose output is intended for individual and collective consumption, and are financed by compulsory payments made by units belonging to other sectors (financial and non-financial corporations, household and non-profit institutions serving households); and institutional units principally engaged in the redistribution of national income and wealth (Ibid., pp.12 and 44).

an underfunding of certain public sector activities. Lower spending levels can also be an indication of economies of scale in the administrative services of larger countries. Similarly, high spending may be a signal for substantial inefficiencies in the administration and ‘over-funded government entities’, as well as for strong preferences for certain functions or diseconomies of scale.

Hence, we can include other indicators to represent the complex relation between the following indicators related to the measurement of optimization (Table 4):

- Number of people employed⁵¹;
- Compensation for employment in general government;
- The strength of the economy measured by GDP per capita in PPS (as a synthetic indicator); and
- Government effectiveness (WGI).

Table 4. How to measure rightsizing and quality of public administration: selected indicators

Compensation of employees in general government GG as a percentage of GDP, (AMECO base)				Compensation of employees in Gen.Gov. / Comp. to empl. in total economy (%) 2015		GDP pc in PPS 2015		Employees in PA, defence, edu. and social sector activities/ Employees in all activities, 2015		Employees in PA, defence, education and social sector per 100,000 inhabitants		Government effectiveness (WGI) 2014	
	Average 2004-2014	2015	2017f										
DK	16.4	16.5	16.0	EL	36.3%	LU	271	SE	33.6%	SE	16,699	DK	4.7
FL	13.6	14.0	13.8	DK	31.1%	IE	145	BE	30.7%	DK	15,088	FL	4.5
FR	12.8	12.9	12.7	MT	29.4%	NL	129	DK	30.4%	LU	14,860	NL	4.3
CY	13.9	12.8	12.5	CY	29.0%	AT	127	FR	29.6%	NL	14,147	SE	4.3
MT	13.1	12.7	12.7	FL	28.4%	DE	125	FL	28.5%	FL	13,010	DE	4.2
BE	12.1	12.5	12.2	PL	27.1%	DK	124	NL	27.1%	DE	12,986	LU	4.2
SE	12.5	12.4	12.3	IE	26.7%	SE	123	UK	25.5%	BE	12,558	UK	4.1
EL	12.0	12.2	12.0	PT	26.1%	BE	117	MT	25.2%	UK	12,428	IE	4.1
HR	11.7	11.4	11.3	SE	26.1%	UK	110	IE	25.0%	FR	12,327	AT	4.1
EE	10.6	11.3	11.4	HU	25.2%	FL	108	DE	24.4%	MT	11,583	FR	3.9
PT	13.2	11.3	11.0	BE	24.9%	FR	106	EU28	23.6%	AT	11,207	BE	3.9
SI	11.7	11.1	11.5	IT	24.8%	EU 28	100	LT	23.1%	EE	10,905	ES	3.7
ES	10.7	11.0	10.3	FR	24.7%	IT	95	EE	23.1%	IE	10,826	CY	3.6
AT	10.7	10.7	10.5	EU28	24.4%	ES	92	HU	22.5%	EU 28	10,713	EU28	3.6
HU	11.1	10.7	10.9	HR	24.1%	MT	89	AT	22.3%	LT	10,596	EE	3.5
PL	10.7	10.2	10.1	RO	23.6%	CZ	85	HR	22.0%	HU	10,024	MT	3.5

51 The only available data is used from NACE.rev2 classification (Nomenclature statistique des activités économiques dans la Communauté Européenne) as the scope of Section O: Public administration and defence; compulsory social security. (<http://ec.europa.eu/eurostat/documents/1965800/1978839/NACEREV.2INTRODUCTORYGUIDELINESEN.pdf/f48c8a50-feb1-4227-8fe0-935b58a0a332>). In spite of the fact that there is no NACE category that describes all the activities carried out by the government as such (not all government bodies are automatically classified in Section O “Public Administration and Defence; Compulsory Social Security”) we are using Eurostat data on employment for our analysis since this indicator is in the Eurostat database for employment in 2015 titled as “**Employment of Public Administration, Defence, Education, Human Health and Social Work Activities**” (broader scope, sections O, P and Q). (available at <http://ec.europa.eu/eurostat/tgm/table.do?tab=table&plugin=1&language=en&pcode=tec00109>).

EU 28	10.5	10.14	9.9	EE	23.6%	SI	83	ES	21.8%	CY	9,202	CZ	3.5
LV	10.0	9.9	10.1	LT	23.5%	CY	81	CY	21.2%	PT	9,100	PT	3.5
IT	10.4	9.9	9.6	SL	23.5%	PT	77	EL	21.0%	LV	8,781	SI	3.5
LT	10.4	9.7	9.5	ES	23.3%	SL	77	PT	20.5%	ES	8,761	LT	3.5
BG	9.1	9.3	9.3	LV	22.8%	EE	74	PL	20.4%	CZ	8,697	LV	3.5
UK	10.5	9.2	8.9	BG	22.8%	LT	74	LU	20.4%	SI	8,670	SL	3.4
IE	10.6	9.1	8.5	SI	22.7%	EL	71	SL	20.3%	PL	8,646	PL	3.3
SL	8.1	9.0	9.1	CZ	22.3%	PL	69	LV	19.5%	SL	8,552	HR	3.2
CZ	7.8	8.9	9.1	AT	22.1%	HU	68	SI	18.9%	HR	8,301	HU	3.0
NL	9.1	8.8	8.9	UK	18.7%	LV	64	IT	18.8%	EL	7,920	EL	2.9
LU	8.9	8.7	8.6	LU	18.3%	HR	58	CZ	17.7%	BG	7,636	IT	2.9
DE	7.7	7.6	7.6	NL	18.0%	RO	57	BG	16.0%	IT	7,605	BG	2.6
RO	8.9	7.6	8.4	DE	15.0%	BG	46	RO	13.5%	RO	5,779	RO	2.5

Source: Eurostat data, AMECO database, World Bank, 2016 (author's calculations).

From Table 4, we can conclude the following:

- **Compensation for employment of general government as a percentage of GDP** varies between EU Member States; however, this indicator is planned to be at a higher or the same level for 2017 in almost all the **new Member States** (a reduction in compensation is planned only in Lithuania and Croatia); the EU15 ("old MS") plan for 2017 is to slightly reduce compensation for employment; DE will keep the same level.
- **The average changes** in these indicators over the 11-year period (2004-2014) and the indicators for 2015 show that rapid changes in these indicators are not happening in the majority of countries. This indicator has reduced by more than 1% in PT, UK, IE, CZ and RO.
- **The relationship between compensation for employment in general government and compensation for employment in national economies** does not follow the same pattern among MS as the previous relative indicator: for instance, for DK and FI the relationship is the same as for the previous indicator, but not for Greece (EL). In brief, gross salaries in the General Government sector in relation to whole economy in Greece are the highest (as high as 36.3%), and there is a similar trend in CY and MT. The smallest percentage of salaries in GG in comparison to the whole economy is in Germany, then in NL, LU and UK.
- The strength of economies measured by **GDP per capita in PPS** shows "free room" for relative growth of compensation for employment in some old Member States. This indicator is in line with the plan for a reduction of compensation for employment in the majority of new Member States.
- **The WGI is not directly correlated with the indicator 'Compensation for employment of general government as percentage of GDP'** for the **majority** of Member States: while this is completely the case for DK and FL, it is not the case for DE, SI or EE.
- At the same time, **the WGI shows almost similar relationships among Member States as GDP pc in PPS**. All 11 MS above the EU average in GDP pc in PPS also have a WGI indicator above the EU average. In other words, developed countries generally have more effective public administrations than less developed EU economies.
- Regarding the **number of employed people in Section O: Public Administration and Defence; Compulsory Social Security**, MT is the only new MS in the group of nine above the EU average; the other 12 new EU MS are below the EU average regarding employment in this section. The lowest values for this indicator are in RO and BG.
- The indicator the **"number of employees per 100,000 inhabitants"** is often used for comparative analysis. In this case, we use the indicator **"number of employees in**

public administration, defence, education, human health and social work activities per 100,000 inhabitants". This indicator is closely linked with the WGI (the same MS occupy positions 1 to 6 – SE, DK, LU, NO, FL and DE), and the lowest number of employees in Section O per 100,000 is found in the countries with the smallest WGI (RO, BG, IT and EL); in addition, the smaller new MS, such as EE and MT are above the EU average.

- All the above mentioned can be explained through specific MS cases:
 - **Denmark and Finland** represent countries with a positive mix of all factors, i.e. the indicators: developed economies (GDP pc in PP of 124 and 108 respectively) with a high level of employment in GG compared to total employment, and a high level of compensation of employment as a share of GDP; all the mentioned resulted, inter alia, in the highest level of government effectiveness (WGI);
 - On the other hand, **Greece** has relatively high employment (21%, but not so high when compared with the level per 100,000 inhabitants), very high gross salaries (12% of GDP and 36.3% of total gross salaries in the national economy); Since GDP pc in PPS is only 71% of the EU average, its overall impact shows one of the lowest WGI in the EU28 (2.9);
 - **Germany** is also an interesting case. It is a country with almost 25% employed in this sector (with a good indicator per 100,000 inhabitants), but with relatively small gross salaries for general government (only 7.6% of GDP and 15% of total gross salaries in the national economy). The strength of its economy (including effective organization and policy coordination) confirm that even with relatively smaller administration costs, government effectiveness could be one of the highest in the EU (4.2 out of a maximum of 5).
 - When it comes to the so-called new MS, **Slovenia and Estonia** are illustrative and positive examples. They are countries with employment in Sector O below the EU average (18.9 and 23.1), but with a WGI very close to the EU average (3.5); gross salaries in GG as a percentage of GDP are slightly above the EU average, but less than the EU in comparison of this indicator to the total economy; finally, the level of GDP pc in PPS (83 and 74% of the EU average respectively) shows that these countries should maintain the level of gross salaries in GG at the current level and avoid planning to increase it before 2017;

The aim of this analysis is to map different indicators and their inter-relations in order to investigate whether higher levels of employment and spending in state institutions correspond to a superior or inferior performance by the public administration in regards to competitiveness, i.e. its **optimization** for good service delivery and overall development. To conclude either that a smaller government size is associated with higher spending efficiency or that expenditure size is related positively to indicators of government quality is not an easy task in the complex structure of the different political, legal, economic and institutional factors that impact the final result of PA effectiveness⁵².

52 Modified in accordance with: Excellence in Public Administration for Competitiveness in EU Member States, EC, 2014, p.10. (Prepared by the Austrian Institute of Economic Research (WIFO), Vienna, Austria, the Centre for European Economic Research (ZEW), Mannheim, Germany and IDEA Consult, Brussels, Belgium).

3. Examples of successful optimization processes/ effects in EU Member States

The need to improve competitiveness, concerns about fiscal sustainability and growing demands for better public services at lower costs have prompted wide-ranging reforms in the public sector, including **efforts to optimize public administration**, as well as recent initiatives to improve the quality of regulation and to reduce administrative costs. Bearing in mind that the public sector represents a large part of the economy in many EU Member States, this increases the benefits of improving its efficiency.⁵³

In the previous period, all the Member States implemented reforms in their public administrations which vary significantly from each other. These various approaches reflect different starting points, legal and institutional traditions, and different sources of public sector inefficiencies. But despite these differences, in order to optimize their public administrations, all of them appear to focus their attention primarily on measures related to the **budget, human resource management, organizational efficiency and effectiveness including e-Government and the decision-making process**.

A. BUDGETARY POLICY MEASURES

- **The preconditions for effective budgetary measures are: Programme reviews, strategic reviews and spending reviews (or functional and cost-effectiveness analysis)** to analyse not only the effectiveness and efficiency of current programmes, but also the likely impact on output and the outcomes of different resource allocation scenarios.
- **Initiatives to optimize overall government expenditure:**
 - ad-hoc budget cuts⁵⁴, i.e. cutting or freezing operational budgets and/or budgets for services and transfers, forcing institutions to find savings (in periods of economic downturn and fiscal pressure)
 - targeted cuts according to political priorities
 - proportional cuts over all public administration areas⁵⁵
 - savings based on increased efficiency through ICT tools
 - Automatic Productivity Cuts (APCs)⁵⁶
 - Postponement or cancellation of the new programmes
 - Saving based on ad-hoc job cuts
 - Cuts to existing programmes

53 EC, Brussels, 2007 ECFIN/EPC (2007) REP/53684 rev. 2 Initiatives to Improve the Efficiency and Effectiveness of Public Spending: Modernizing Public Administration.

54 Some lessons learned in staff cuts: 1. Even in the cases where there were successful cuts, the impact has been limited, as the compensation of government employees generally represents only about a quarter of government expenditure. 2. Some staff cuts are in fact the result of “hidden” institutional changes, in which government entities are transformed into other types of organizations that may have some sort of hybrid status but are still funded by government or mandatory fees, or are at best semi-private organisations; 3. Staff cuts tend to produce a high level of anxiety. During implementation, the staff tend to focus on saving their jobs and careers rather than on the delivery of public services; 4. The best staff tend to leave first, and the public sector ends up with the least productive people. In addition, when the government starts hiring again, it has to train people and devote scarce resources to hiring procedures; 5. Politically-driven staff cuts may also affect continuity in policy implementation by diminishing the professional culture of some organizations, a culture that can provide the values, capacity, knowledge, and the memory necessary for effective service delivery. (OECD (*Getting the Right Size and the Allocation of the Public Service Workforce*, OECD, 2010, pp.33–34).

55 Arbitrary staff cuts are generally restored within five to 10 years if the public demand for services is not reduced or if no change in the operational delivery modes is undertaken.

56 Sectors with low productivity growth are obliged to reduce their budgets more (forcing the institution to think more strategically about their workforce allocation and to plan for the future).

- Savings based on the outsourcing of services⁵⁷
- targeted cuts depending on performance results and productivity of particular activities
- Saving of resources due to the use of public–private partnership⁵⁸
- Development of non-financial rewards
- Ensuring financial sustainability, as well as the good financial capacity of central and local government
- **Compensation for employment:**
 - Freezing of salaries in PA
 - Development of a single-salary policy for General Government
 - Reduction of salaries and other elements of compensation for work (bonuses or other payments over salaries)
- **Strategic, long-term measures:**
 - Developing and fully implementing MTEF (programme budgeting) including limitations for budget spending in the medium term

B. HUMAN RESOURCE MANAGEMENT MEASURES

- **Strategic reviews (functional analysis)** are likely to lead to significant reallocation of staff and/or changes in the size of the workforce (usually reductions). Human resource management aspects should therefore be treated as an integral part of such reviews.
- **An HR plan which includes different rightsizing measures:**
 - Job cuts and redundancy programmes
 - Early retirement measures⁵⁹
 - Freezing of recruitment
 - Redeployment provisions/establishment and maintenance of internal labour market records/flexible labour mobility and relocation
 - Personalizing Human Resource Management⁶⁰
 - Limit for maximum number of employees in each institution
 - Changes in systematization and job description according to HR plan/job redesign
 - Natural attrition without new employment in those positions
 - Development of leadership skills; training of staff; workforce reviews/performance appraisals
 - Increase in employment under private law contract
 - Possibilities of professional training and development as a solution and support for transferral to another sector
- **Long-term, strategic measures**
 - Fluid HR plan implementation which requires full political support
 - Release of civil servants if a certain job is no longer required (provision of technological redundancy and transfer to other positions)
 - Increase of the number of working hours per year for teachers (for instance in the education sector)/reduction of the working hours for certain other public institutions

57 Governments contracts with private operators for the provision of services to government ministries and agencies, or directly to citizens on behalf of the government.

58 PPPs refer to arrangements whereby the private sector finances, designs, builds, maintains and operates infrastructure assets that have been traditionally provided by the public sector. They can also involve the private sector purchasing already existing infrastructure assets and redeveloping them. Conceptually, PPPs are a specialized form of outsourcing. Their strength appears to come from the internalization of the incentives for eventual project success, although such an advantage might well not be dependent on the element of private co-financing. PPPs arguably have a “significant but limited” role in public management, and are likely to be most effective in large-scale projects such as highways and other infrastructure or environmental reclamation, especially if they involve extensive maintenance and operating requirements over the project life (Modernizing Government. The Way Forward, OECD, Paris, 2005, p.192).

59 Many countries have ageing public services (older than the rest of the population) and are using retirement to cut staff, including incentives for senior workers to retire.

60 Tailor the strategies to meet not only the organizational objectives but also to individualize staff treatment and management more in accordance with the individual’s performance and the organization’s changing needs.

C. MEASURES RELATED TO CHANGES IN THE CONTEXT OF ORGANIZATIONAL EFFICIENCY AND EFFECTIVENESS

- **Initiatives to optimize institutional structures**
 - Merging of units
 - Mergers of government organizations and public-sector bodies
 - Unification of structures and functions
 - Establishment of shared service centres
 - Concentration of functions into the central government by transferring the functions of one or more organizations to other organizations
 - Termination of government organizations and public-sector bodies
 - Amalgamation (territorial down-scaling) of territorial administrative units by transferring functions to lower territorial units, or transferring functions to higher territorial units
 - Re-allocation of functions between levels of government (decentralization, devolution)
 - Reducing frontline functions
 - Creation of new government organizations and public-sector bodies
 - Downsizing back-office functions
 - Centralization of staffing decisions
- **Initiatives of transparent administration, e-government and citizens' involvement**
 - Introduction of web-based portals and electronic forms
 - Development of e-services (ensure interoperability of all registers and availability of data for registered users)
 - E-government office operations – implementation of eDMS (electronic document management system)
 - Introduction and enforcement of integrity/ethical standards
 - Development of e-public procurement
 - Centralization of certain support services (financial, HR)
 - Publication of annual reports, performance data and public accounts
 - Service points for customers (one-stop shop, points of single contact for goods and services, etc.)
 - Measures to fight corruption in the public service
 - Publication of strategic plans, legislative timetables, emerging projects and upcoming consultations
 - Development of citizens' charters and standards
 - Development of online consultation with stakeholders
 - Closer digital collaboration within the public sector
 - Citizens' terminals and mobile offices for effective service delivery
 - Involvement of citizens in designing public services
 - Introduction of participative web systems for decision making
 - Delivering public services in partnership with citizens
- **Long-term, strategic measures**
 - Development of the e-governance model as a whole, which includes centralization of IT management, centralization of support services, establishment of all planned e-services, etc.)

D. MEASURES ORIENTED TOWARDS REFORMING THE DECISION-MAKING PROCESS

- Establishment of a comprehensive and rational **system of planning, coordination and monitoring the implementation of Government policies** (i.e. a system of management of public policies - planning, analysis, creation, adoption, monitoring and evaluation and coordination)
- Initiatives of **performance management**:
 - Review screening and monitoring of legislation/regulation
 - Assessment of the administrative burden on businesses and/or citizens

- Regulatory impact assessments (RIA)
- Process re-engineering and simplification
- Business/strategic planning
- Management by objectives and results
- Evaluation or reviews of public policies and programmes
- Customer/user survey, regular measurement of citizens' satisfaction with the delivery of services
- Use of project management instruments
- Quality management systems
- Performance measurement and monitoring
- Cooperation between local authorities
- Internal steering by using contracts
- Performance-based budgeting
- An integrated performance management system
- Public-private partnerships (PPPs)
- **Long-term, strategic measures**
 - Efficient management and coordination of the PAR Strategy and programme of public finance management (PFM) as part of continuous structural reforms⁶¹

Table 5. Summary of 'rightsizing' and restructuring policies in selected Member States⁶²

Country	Short-term cost-reduction measures		Long-term strategic measures
ESTONIA	Staff cuts	Recruitment freeze Redundancies in some entities as a result of a freeze in personnel costs	Operating expenditure of state institutions fixed in nominal terms in order to decrease it as a percentage of GDP New Civil Service law to reduce number of public sector employees classified as civil servants Centralization of support services Centralization of procurement and administration of real estate Organizational restructuring Further development of e-government strategy ⁶³
	Other measures to reduce employment costs	Cuts in pay and other elements of remuneration (bonuses, allowances, etc.) Cuts in operating budgets including a 9% cut in personnel expenditures Civil servants placed on unpaid leave Cut in the training budget Cut in work-related expenses (travel, telephone.)	

61 Systematization of applied measures developed based on the following sources: Modernizing Government. The Way Forward, OECD, 2005; OECD (2010a), Getting the Right Size and the Allocation of the Public Service Workforce, OECD, 2010; Study of Public Administration Trends in Europe and Lithuania, Public Policy and Management Institute, 2013; Alio Lorenzo, Rightsizing the Montenegrin Central Administration Strategically, Effectively and on a Sustainable Basis, UNDP Montenegro, 2012; OECD/SIGMA, Staff Rightsizing Policies and Instruments Recently Used by EU and OECD Member States, Comparative Analysis Based on the Experiences of Estonia, Finland, Ireland, Latvia, the Netherlands and Portugal, 2011, pp. 9-16.

62 Slightly modified, according to OECD/SIGMA, Staff Rightsizing Policies and Instruments Recently Used by EU and OECD Member States, Comparative Analysis Based on the Experiences of Estonia, Finland, Ireland, Latvia, the Netherlands and Portugal, 2011.

63 For instance, one of the goals of Estonia's information society strategy 2014–2020 is to enable use of digital signatures by 2020 by 20% of the population (eGovernment in Estonia, February 2016, Edition 18.0, p. 17, <https://joinup.ec.europa.eu/>).

	Organizational changes	<ul style="list-style-type: none">- Merger of tax and customs administration (efficient use of resources and specialization of employees without duplication of jobs)- Internal affairs – merger of Police Board, Central Criminal Police, Public Order Police, Border Guard Board, and Citizenship and Migration Board (CMB) in Police and Border Guard Board- Centralization of support services in: finance (accounting, budgeting), employment policy - HR management working time control; logistic with purchase, selling and administration of shares;- Merger of the Labour Market Board and Unemployment Insurance Fund- Merger within Ministry for the Economy and Communications- Health Care – merger of the National Institute for Health Development, the Health Board and the Agency of Medicines into a single institution- Ministry of Finance – integrated activities of Public Procurement Office	
LATVIA	Staff cuts	Suppression of posts No renewal of managerial contracts	New remuneration system Outsourcing Reorganization of state agencies & reduction in number of agencies Delegation of functions to local government Functional audits, evaluations and reviews
	Other measures to reduce employment costs	Statutory limit on expenditure on remuneration; for instance, a 15% reduction in salary funds; 23.5% reduction in expenditure on wages & salaries (from 2008 to 2009) Cuts in pay Ban on payment of bonuses and various allowances	
	Organizational changes	<ul style="list-style-type: none">- The State Chancellery of the Republic of Latvia is a central public administration institution directly subordinated to the prime minister and its role is strengthened through organizational changes (coordination between institutions in order to achieve the government programme, support for the government's work, ad-hoc solving of inter-sectoral issues)- Centralization of functions (HR management, IT systems and central registers, all IT services (maintenance, websites, etc.), Accounting services- Establishment of centres for public services (one-stop shop for public services)- Development of e-government and e-services- Development of horizontal policy (improvement of communication between line ministries, simplification of procedures)	

PORTUGAL	Staff cuts	<ul style="list-style-type: none"> - Recruitment freeze subject to limited exceptions - 50% replacement rate of departing staff (may be reduced further) - Targeted reduction of 15% in management positions - Maximum limit on number of public servants in each ministry 	<p>Annual targets for reducing public-sector wage bill as a percentage of GDP</p> <p>Workforce planning</p> <p>Human resource management reforms (shifting to contracts for most hiring, strengthening the performance basis for promotion and pay, a new mobility system, retraining of surplus staff, new career structure)</p>
	Other measures to reduce employment costs	<p>Cuts in operating budgets</p> <p>Wage freeze in the civil service</p> <p>5% wage cut for holders of public management offices</p> <p>Blocking of non-compulsory wage supplements</p>	<p>Structural and organizational reforms (merging organizations, reducing layers of management, shared services)</p>
IRELAND	Staff cuts	<p>Freeze on filling vacancies by recruitment or promotion, subject to limited exceptions</p> <p>Early retirement incentives for staff aged 50–60</p> <p>Career-break scheme (3 years)</p> <p>Voluntary redundancies in some sectors (health)</p> <p>Reduction in management numbers</p> <p>Reduced use of agency staff in health service</p>	<p>Framework agreement with public service unions on public-service reform</p> <p>New redeployment and mobility provisions</p> <p>Changes to work practices to increase productivity (new rostering arrangements to increase core working hours and reduce overtime, e.g. in the health service)</p> <p>Increased annual working hours for teachers</p> <p>Reorganization of offices and services</p>
	Other measures to reduce employment costs	<p>Pay cuts (13.5% average in 2009–2010, differentiated by grade)</p> <p>Pension contributions of public servants increased</p>	<p>Rationalization of structures</p> <p>Shared services</p> <p>Joint procurement</p> <p>Increasing e-government (online services)</p>
FINLAND Long-term strategic measures	<p>Public-sector productivity programme producing reductions in staff</p> <p>Personnel numbers part of strict overall budget policy – agencies set their staff size within overall budget limits</p> <p>Limit on number of personnel in each ministry/agency</p> <p>New Civil Service law providing for dismissal of civil servants if post is no longer required (redundancy and redeployment provisions)</p> <p>Shared services</p> <p>Centralization of IT management</p> <p>Common IT system for financial and personnel services</p> <p>Structural reforms and reorganization</p> <p>Outsourcing support services</p>		

THE NETHERLAND Long-term strategic measures	Central Government Reform Programme (2007–2011): Financial and staffing targets set for government organizations; cutbacks in areas of policy, support staff and inspectorates achieved through efficiency measures and restructuring, leading to suppression of functions Reduction in the operating budgets of ministries, agencies and autonomous administrative authorities ‘Compact Government’ downsizing operation (2011–2015): streamlining operational management support & removing duplication in implementation and inspection bodies
Results in optimization of public administration	<ul style="list-style-type: none"> - Reorganization - Approach to rightsizing of public administration - Development of e-government and e-services - Efficiency and effectiveness of public administration - Reduction of government spending - Transparency and openness of PA - Improving regulation and reducing administrative burden - Increasing the quality of public services - Fighting corruption in public services - Focusing on outcomes and results - Rationalizing the structure of central-level government organization - Modernizing HRM in public service

The choice of policy instruments that governments choose to put into operation depends on several factors:

- A key consideration is **the speed at which the adjustment to the workforce has to be made**; some instruments (especially redundancies and budget cuts) can be implemented more rapidly than others, and they have a more immediate impact if reducing the budget deficit is the overriding objective. However, these types of ad-hoc measures tend not to be sustainable over the longer term.
- Another factor is the **amount of public sector reform that has already been carried out** and what foundation is in place that can be built upon. For example: how much flexibility is there to restructure and redeploy or to achieve savings through more flexible working practices; how productive and efficient is the public service already; what steps have previously been taken to streamline operations or rightsize the workforce? Clearly, different countries are starting from different baselines and this has implications for the policies they choose to adopt.
- A third important consideration is the **employment conditions** applying to public employees and the **degree of flexibility** that is available to restructure or adjust the size of the workforce, especially whether there is provision to make surplus staff redundant or to redeploy staff.
- Finally, there is the **political economy of reform**. Governments have to deal with industrial relations and public reactions to cutbacks or public-service reform. The choice of policy measures is bound to be influenced by how much room for manoeuvre governments feel they have.

The six reference countries provide illustrations of all of these factors in operation. Their different situations have dictated different approaches to rightsizing and restructuring. Estonia, Ireland Latvia and Portugal were in the special situation of being in EU/IMF loan programmes and had to meet very demanding deficit-reduction targets. Finland and the Netherlands are in a different situation. Both countries have been engaged in long-term restructuring of their public sector for several years.⁶⁴

⁶⁴ Op.cit, pp.13-14.

II THE IMPORTANCE OF OPTIMIZATION OF PUBLIC ADMINISTRATION FOR THE WESTERN BALKAN COUNTRIES

1. WB countries: an introduction

The majority of the countries in the region of the so-called Western Balkans Six (WB6), which share the same political and economic heritage, represent a complex structure of six small countries, divided and different, with five official languages and more than 4,000 km of new state borders, including several unsolved border issues, ethnic issues and sovereignty issues. According to data for 2015, in comparison with the EU (28 Member States) – the four candidate countries and two potential candidate countries from the Western Balkans represent only **3.6% of the EU-28 population, 4.8% of EU territory and about 0.52% of EU GDP.**

Table 6. Western Balkan 6 – selected indicators⁶⁵

	Population (Eurostat data, 2015)	%	GDP in million EUR (2015)	%	GDP pc, €	GDP pc PPP, EU=100 (2015)	Area km²	%
Albania (AL)	2,892,303	16	10,322	13%	3,569	30	28,748	14
Bosnia and Her- zegovina (BA)	3,830,911	21	14,995	20%	3,914	29	51,129	25
Macedonia, FYR (MK)	2,069,172	11	9,092	12%	4,394	37	25,713	12
Montenegro (ME)	622,099	3	3,625	5%	5,832	41	13,812	7
Serbia (RS)	7,112,000	39	32,908	43%	4,627	36	77,474	37
Kosovo (KS)	1,804,944	10	5,772	8%	3,198	n/a	10,908	5
TOTAL WB	18,331,429	100	76,714		4,185		207,784	
EU	508,293,358		14,635,156				4,295,600,000	
WB as percent- age of	EU population		EU GDP		EU GDP pc, PPP		EU territory	
	3.6%		0.52%		EU=100		4.8%	

All the countries in the region have **signed and are starting to implement the SAA**. The next important step in the accession process is the submission of applications for member-

⁶⁵ Data from statistical agencies (INSTAT Albania, <http://www.instat.gov.al/en/Home.aspx>, Agency for Statistics, Bosnia and Herzegovina, <http://www.bhas.ba/index.php?lang=en>, Kosovo Agency of Statistics, <http://ask.rks-gov.net/en/>, Statistical Office of the Republic of Macedonia, http://www.stat.gov.mk/Default_en.aspx, MONSTAT, Montenegro, <http://monstat.org/en/>, Statistical Office of the Republic of Serbia, <http://webzrs.stat.gov.rs/WebSite/Default.aspx>, assessed on 28 May 2016); and "Candidate Countries Economic Quarterly", DG ECFIN, 2nd Quarter 2016.

ship and the positive assessment prepared by the Commission, which allows the country to become a candidate. Montenegro and Serbia have started accession negotiations with the EU, while Albania and Macedonia are candidate countries, and Bosnia and Herzegovina and Kosovo are potential candidates for EU membership. The regional integration dynamic is provided in Table 7.

Bearing in mind the experiences from the fifth round of enlargement, the European Council agreed on a new *consensus on enlargement* in December 2006 (one month before the official accession of Bulgaria and Romania). Thus, all future enlargements of the Union will be subject to a more detailed pre-accession dialogue and more complex negotiation process. The process becomes more complex already in the battle for the status of candidate country, which means that the country needs to be “prepared beforehand” for the obligations deriving from membership. The accession process and accession negotiations, thereby, become more complicated and demanding so that we can talk about a new trend in EU enlargement policy – **Enlargement plus**.

Table 7. WB 6 – European integration dynamic, October 2016

EI PHASES	ALBANIA	BOSNIA AND HER- ZEGOVINA	MACEDO- NIA	MONTENE- GRO	SERBIA	KOSOVO
Signing of the SAA	12.06.2006	15.06.2008	09.04.2001	15.10.2007	28.04.2008	27.10.2015
Interim Agreement	01.12.2006	01.07.2008	01.06.2001	01.01.2008	01.02.2009	01.01.2016
SAA Market opening	10 years – 2016	5 years - 2013	10 years – 2011	5 years – 2012	6 years – 2014	10 years
SAA Entry into force	01.04.2009	01.06.2015	01.04.2004	01. 05.2010	01.09.2013	01.04.2016
Submit application	28.04.2009	15.02.2016	22.03.2004	15.12.2008.	19.12.2009	
Candidate country	27.06.2014		09.12.2005.	17.12.2010	01.03.2012	
Accession negotiation				29.06.2012 (24/2) ⁶⁶	21.01.2014 (4/0)	
MAIN CHAL- LENGES	RULE OF LAW					
	Political dialogue	Functionality of the state	Naming issue (EL) and stability	Administra- tive capac- ities	Dialogue Belgrade – Pr- ishtina	
	ECONOMIC DEVELOPMENT AND COMPETITIVENESS					
	PUBLIC ADMINISTRATION REFORM					

Regarding **political and legal criteria**, the European Commission also proposed new rules for negotiating Chapters 23 and 24 (2012). Given the challenges faced and the long-term nature of the reforms, chapters related to the judiciary and fundamental rights, and justice, freedom and security will be tackled early on in the accession process to allow maximum time to establish the necessary legislation, institutions and solid track-records of implementation prior to the closing of negotiations. The new negotiating rules are defined for the whole region.

⁶⁶ There are 24 negotiation chapters opened and two provisionally closed.

Table 8. WB 6 – Selected economic indicators

	REAL GROWTH RATE %				2015 (CCEQ, 2 nd Q 2016, DG ECFIN)						Net FDI as % of GDP 2014	GCI 2016-2017	
	Average 2006–2015	2014	2015	2016*	Unem- pment rate	Current account balance, % of GDP	General Gov. Balance, as % of GDP	General gov. debt as % of GDP	Inflation, CPI, annual, % (change)	GCI score		GCI rank	
AL	3.5	2.0	2.6	3.2	17.5	-11.2	-4.0	72.3	1.9	8.4	4.06	81	
BA	2.2	1.4	3.2	3.0	42.9	-5.6	-2.0	42.3	-1.0	1.4	3.80	107	
MK	3.2	3.5	3.7	3.3	26.1	-1.4	-3.5	38.0	-0.3	1.9	4.23	68	
ME	3.2	1.8	3.4	4.0	17.6	-13.4	-8.4	61.4	1.4	17.2	4.05	82	
RS	2.0	-1.8	0.8	1.6	17.7	-4.8	-3.8	75.4	1.4	5.5	3.97	90	
KS	3.7	0.9	3.8	3.3	32.9	-9.1	-2.0	13.2	-0.5	5.6	n/a	n/a	

Regarding **economic criteria**, gradually, with the rising of impact of the economic crisis on the EU and candidate countries' economies, the European Commission also developed economic sub-criteria for the evaluation of a country's readiness for future membership. In that context, a good set of comparative indicators is developed by the World Bank and annually presented through the **Doing Business Report**. The 'ease of doing business' ranking compares economies with each other (190 economies).

Table 9. WB 6 – Doing business indicators, World Bank, 2017

Economy / DB 2015	Ease of Doing Business Ranking	Starting a Business	Dealing with Construction Permits	Getting Electricity	Register Property	Getting Credit	Protecting Minority Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Resolving Insolvency
AL	58	46	106	156	106	44	19	97	24	116	43
BA	81	174	170	123	99	44	81	133	36	64	41
MK	10	4	11	29	48	16	13	9	27	36	32
ME	51	58	93	167	78	7	42	57	43	41	40
RS	47	47	36	92	56	44	70	78	23	61	47
KS	60	13	129	114	33	20	63	43	51	44	163

Source: <http://www.doingbusiness.org/~media/WBG/DoingBusiness/Documents/Annual-Reports/English/DB17-Report.pdf>.

A high 'ease of doing business' ranking means that the regulatory environment is more conducive to the starting and operation of a local firm. The rankings are determined by sorting the aggregate distance to frontier scores on 10 topics, each consisting of several indicators, giving equal weight to each topic. The rankings for all economies are benchmarked to June 2016.

Macedonia has a very good position on the overall list (10) while for "starting a business" it is as high as 2nd out of the 190 countries. Montenegro is better for "getting credit" and

“resolving insolvency”. Kosovo has the best results in registering property. The worst indicators are “dealing with construction permits” and “starting a business” in Bosnia and Herzegovina. When it comes to trade, Serbia is the best CEFTA country for the “trading across borders” indicator (TAB). The “distance to the border” indicator (DTF) for Serbia in 2016 was 95.08 out of a maximum of 100, which represents the ideal conditions for trade. In Serbia, you needed on average six days to export and import. The least efficient CEFTA party regarding the TAB indicator is Kosovo.

The monitoring of economic criteria (including “soft” fiscal surveillance, development policy priorities and structural reform agenda) should be seen in the context of the increased importance of **economic governance** in the enlargement process.

In order to enhance their economic governance, in 2015 the enlargement countries were invited to prepare **Economic Reform Programmes** (ERPs), which set out a medium-term macro-fiscal policy framework, together with key structural reforms aimed at supporting the framework and boosting competitiveness. In early 2016, enlargement countries from the region submitted the second “generation” of ERPs for the period 2016–2018. It is a gradual approach to the **EU’s new economic governance mechanism** (European Semester) by the Western Balkan countries.

Another useful indicator for measuring progress in overall reforms with special focus on effectiveness of state administration is the set of so-called **Worldwide Governance Indicators** (WGI).

WGI are a research dataset summarizing the views on the quality of governance provided by a large number of business, citizen and expert survey respondents in industrial and developing countries. This data is gathered from a number of survey institutes, think-tanks, non-governmental organizations, international organizations and private-sector firms. The WGI do not reflect the official views of the World Bank, its Executive Directors, or the countries they represent. The WGI are not used by the World Bank Group to allocate resources.

- **Voice and Accountability** captures perceptions of the extent to which a country’s citizens are able to participate in selecting their government, as well as the freedom of expression, freedom of association, and a free media. The estimate gives the country’s score as an aggregate indicator, in units of standard normal distribution, i.e. ranging from approximately -2.5 to 2.5.
- **Political Stability and Absence of Violence/Terrorism** measures perceptions of the likelihood of political instability and/or politically motivated violence, including terrorism. The estimate gives the country’s score as an aggregate indicator, in units of standard normal distribution, i.e. ranging from approximately -2.5 to 2.5.
- **Government Effectiveness** captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies. The estimate gives the country’s score as an aggregate indicator, in units of standard normal distribution, i.e. ranging from approximately -2.5 to 2.5.
- **Regulatory Quality** captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private-sector development. The estimate gives the country’s score as an aggregate indicator, in units of standard normal distribution, i.e. ranging from approximately -2.5 to 2.5.
- **Rule of Law** captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police and the courts, as well as the likelihood of crime and violence. The estimate gives the country’s score as an aggregate indicator, in units of standard normal distribution, i.e. ranging from approximately -2.5 to 2.5.

- **Control of Corruption** captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as the extent of “capture” of the state by elites and private interests. The estimate gives the country's score as an aggregate indicator, in units of standard normal distribution, i.e. ranging from approximately -2.5 to 2.5.

The average WGI for Western Balkans for 2014 is 2.4 in comparison with the EU's 3.6. The best WGI score is for Montenegro, Macedonia and Serbia.

Table 10. Government effectiveness indicators, 2014⁶⁷

WORLD BANK – GOVERNMENT EFFECTIVENESS INDICATORS (0-5)		AL	BA	MK	ME	RS	KS	HR	SI	Average WB 6
1	Voice and Accountability	2.7	2.4	2.4	2.7	2.3	2.3	3.0	3.4	2.5
2	Political Stability and Absence of Violence/Terrorism	3.0	2.4	2.7	2.7	2.2	2.2	3.1	3.3	2.6
3	Government Effectiveness (WGI) ⁶⁷	2.4	2.0	2.7	2.8	2.2	2.2	3.2	3.5	2.4
4	Regulatory Quality	2.7	2.4	3.0	2.6	2.3	2.3	2.9	3.2	2.6
5	Rule of Law	2.1	2.3	2.5	2.6	2.0	2.0	2.8	3.5	2.3
6	Control of Corruption	1.9	2.2	2.6	2.5	2.1	2.1	2.7	3.2	2.3

Source: <http://info.worldbank.org/governance/wgi/index.aspx#home>

Finally, the third pillar of the Enlargement strategy is **public administration reform – PAR** (together with the Rule of Law and Economic Governance).

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 (EI) process by enabling the implementation of crucial reforms and organizing efficient accession dialogue with the EU. Hence, the EU enlargement criteria recognize and emphasize 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*.

2. Enhanced negotiation framework of the EU enlargement policy and focus on public administration reform

The new approach of the European Commission – “**Fundamentals First**” was introduced in 2014 to ensure a stronger focus on addressing fundamental reforms early on in the enlargement process. These include the three pillars of the “rule of law”, “economic governance” and “public administration reform (PAR)”. It is part of the continuous growth of accession criteria sometimes referred to in literature as the “**Enlargement +**” process⁶⁸.

⁶⁷ WGI is also used as indicator of progress for the 5th pillar in the SEE 2020 Strategy (Headline indicator for Governance for Growth).

⁶⁸ Đurović G., Milović M., “EU Enlargement Policy Framework for the Western Balkans: Six “C” Principles and the New Negotiating Rules”, Proceedings “Economic integration, competition and cooperation”, 2013, Faculty of Economics, Rijeka, pp.325–338, (https://www.efri.uniri.hr/sites/efri.uniri.hr/files/cr-collections/2/euconf_2013.pdf).

The enhanced negotiation framework of the EU enlargement policy towards the Western Balkan countries can be presented through specific “C” principles (Table 11). The principles of conditionality, consolidation and communication were defined in the 2005 Enlargement Strategy: consolidation of the EU’s commitments on enlargement, applying fair and rigorous conditionality and better communication of the enlargement policy towards ordinary citizens both in the EU and in candidate and potential candidate countries. It is essential to foster understanding and informed debate on the impact of enlargement policy, particularly at a time when the EU faces major challenges. The principle of credibility has been included in the EU enlargement strategies since 2009 as an essential part of the negotiating process. Maintaining the credibility of the enlargement process is crucial to its success. The next principle is represented by the serious economic crisis as a strong limiting factor of the EU integration dynamic. In the format of the economic crisis, economic recovery was the number-one priority in the region, where the EU integration process is becoming a strong instrument to support that priority. The next principle is principle of presenting concrete results in the most sensitive areas through track-record mechanisms. We can go on to talk about common priorities such as the rule of law, economic governance and PAR, where again the main messages are competitiveness and common (European) values.

Table 11. Messages from EU enlargement strategies: the “C” principles of the negotiation framework

2005	C ONDITIONALITY	By meeting the accession criteria
	C ONSOLIDATION	Continual focus on enlargement and EI
	C OMMUNICATION	Communication in the country with the EU and MS
2009	C REDIBILITY (of the EI process)	Maintain credibility in the EU and in enlargement countries
2010, 2011, 2012	C RISIS – towards new Economic Governance, European Semester and EC country-specific recommendations	Accession process in crisis time, early inclusion in mechanism of the New Economic Governance
2013	C ONCRETE RESULTS (C 23 & 24 track record; “Light European Semester” for WB region through ERP exercising)	To present concrete, measurable results
2014	C OMMON PRIORITIES (“FUNDAMENTALS FIRST” - Rule of Law, Economic Governance and PAR)	Joint projects, but fundamental rights first; Consolidating reform and strengthening credibility
2015	C OMPETITIVENESS (economy) & C OMMON VALUES (policies)	Competitive economies and respect of joint European values (for instance, the migrant crisis and Europe)
2016	C APACITY to absorb EU standards into all areas of policies	Promotion of the “QUALITY BEFORE SPEED” principle which is based on sustainable public finances (PAR&PFM)

In the coming years, for ReSPA’s beneficiaries, PAR, as one of the key priority issues, will be one of the main challenges in the European integration process.

3. PAR institutional framework, recent reform documents and EC support

3.1. Albania

In the 2015 Report, the European Commission estimated that Albania is **moderately prepared** in the reform of its public administration. In 2015 **good progress** was made in the areas falling under the key priority in public administration reform, especially with the adoption of a comprehensive reform strategy and a new Code of Administrative Procedures. However, further efforts are needed also in the areas outside the scope of this key priority, especially on improving policy development and coordination, and the capacity of the administrative courts.

Responsible institutions:

- **The Ministry of Innovation and Public Administration (MIPA)** – in charge of the design and coordination of policies in the field of information technology and electronic communications, as well as for the reform and modernization of public administration (**PAR coordination**).⁶⁹
- The relevant agencies and departments are as follows: the National Authority for Electronic Certification, National Agency for Computer Security, School of Public Administration (ASPA), Central Inspectorate, **Department of Public Administration (DoPA)**⁷⁰, Department of Good Governance Innovation and the Agency of Integrated Service Delivery.⁷¹
- The Ministry of Finance (MF) – in charge of economic stability through efficient, effective and transparent management of public finances.⁷²
- The Ministry of European Integration (MEI) is in charge of technical guidance and coordination of Albania's EU integration process through formulation of integration policies, harmonization of the national legislation with the *acquis*, implementation of the SAA, implementation of the EU recommendations concerning the accession criteria, coordination of EU financial assistance and public information on this process.
- The Ministry of Justice – in charge of the Code of Administrative Procedures
- The Prime Minister's Office – in charge of policy making and the quality of legislation
- Other public administration authorities/services/bodies – in accordance with their competences.

PAR strategic document and analysis:

- Cross-Cutting Public Administration Reform Strategy (SNRAP)⁷³ and its Action Plan 2015–2020
- Annual Monitoring Report for SNRAP 2015–2020⁷⁴
- Indicator Passport for measurement of the outcome-level indicators of the Cross-Cutting

69 The Minister of Innovation and Public Administration (MIPA) has been designated to co-ordinate PAR. Besides this position, there are officials in charge of PAR co-ordination from both the Minister's office and the Department of Public Administration (DoPA) <http://www.inovacioni.gov.al/>.

70 The DoPA is the public institution responsible for civil service reform: (i) the management and implementation of the civil service in all the institutions of the central administration; (ii) the design and implementation of policies in the area of salaries and building institutions of public administration; and (iii) the design and implementation of policies and training programmes applicable to public administration in general (<http://www.dap.gov.al/dap/misioni>).

71 <http://www.inovacioni.gov.al/al/ministria/agjencite-dhe-drejtorite-funksionale>.

72 <http://www.financa.gov.al/en>.

73 Decision of the Council of Ministers No. 319, April 2015.

74 <http://dap.gov.al/publikime/raporte-vjetore>.

Public Administration Reform Strategy 2015–2020 of Albania⁷⁵

- Annual reports to Parliaments prepared by the Department of Public Administration⁷⁶
- National Cross-Cutting Strategy for Decentralization and Local Governance 2014–2020, July 2015.⁷⁷

Related strategic document and analysis:

- Digital Agenda Strategy⁷⁸
- Public Finance Management Strategy 2014–2020, December 2014⁷⁹
- The central planning documents of the Government of Albania – the Government Programme 2013–2017,⁸⁰ the Government Priorities (Innovative Governance),⁸¹ the Medium-Term Budget Programme 2015–2017,⁸² the Road Map on Five Key Priorities⁸³ and the National Plan for European Union Integration 2014–2020⁸⁴ – all broadly acknowledge the need for public administration reform.

Legislation⁸⁵:

- Law No. 9936/08 on Management of the Budgetary System in Republic of Albania
- Law No. 152/2013 “On Civil Servants”: Civil service legislation
- Law No. 90/2013 “On the Organization and Functioning of Public Administration”⁸⁶
- Law No. 154/2014 “On the Organization of High-Level State Control”
- Law No. 10018, dated 13 November 2008 “On State Advocacy”
- Law No. 9,000 dated 30 January 2003 “On the Organization of the Council of Ministers”
- Law on Ratification of the “Agreement for the Establishment of the Regional School of Public Administration (ReSPA)” No. 10085, dated 26 February 2009
- Law on Prevention of Conflicts of Interest in the Exercising of Public Functions No. 9367 dated 7 June 2005
- Law for salaries, bonuses and structures independent constitutional institutions and institutions of other independent body established by law, No. 9584, dated 17 July 2006
- Law on the Rules of Ethics in Public Administration No. 9131, dated 8 September 2003
- Law for powers to determine salaries and bonuses No. 10405, dated 24 March 2011
- Law on Local Government No. 139/2015 dated 17 December 2015
- Law on the Ombudsman No. 8454, dated 4 February 1999, supplemented by Law No. 8600 dated 4 October 2000
- Law on Public Notification and Consultation No. 146/2014
- Decision No. 17/2016 for Detailed Rules on the Implementation of Prohibitions Stipulated in Law No. 138/2015 to Guarantee the Integrity of Individuals Selected, Appointed or Exercising Public Functions
- Law to Guarantee the Integrity of Persons Selected, Appointed or Exercising Public Functions No. 138/2015

75 <http://dap.gov.al/publikime/dokumenta-strategjik/64-strategjia-ndersektoriale-e-reformes-ne-administraten-publike-2015-2020>.

76 <http://dap.gov.al/publikime/raporte-vjetore>.

77 http://www.ceshtjetvendore.gov.al/files/pages_files/15-04-20-02-59-36Decentralisation_Strategy_Financial_Feb_2015_-_English.pdf.

78 http://www.inovacioni.gov.al/files/pages_files/Digital_Agenda_Strategy_2015_-_2020.pdf.

79 http://www.financa.gov.al/files/userfiles/Raportimet/Albanian_PFM_strategy_2014-2020.pdf.

80 Alliance for European Albania, Government Programme 2013–2017, Government of Albania, 2013.

81 Strategic Planning Committee 22/01/2014. Strategic Planning Committee meeting material provided by the Delivery Unit of the Prime Minister's Office.

82 Medium-Term Programme Budget 2015–2017, Ministry of Finance, 2014.

83 Road Map on Five Key Priorities, the Government of Albania, May 2014.

84 National Plan for European Integration, Government of Albania, 2014.

85 Links to legislation pertaining to public administration <http://dap.gov.al/legjislacioni/per-administraten-publike/41-ligj-nr-90-2012-per-organizimin-dhe-funkcionimin-e-administrates-shteterore>.

86 <http://dap.gov.al/legjislacioni/per-administraten-publike/41-ligj-nr-90-2012-per-organizimin-dhe-funkcionimin-e-administrates-shteterore>.

Recommendation for PAR in the 2015 EC report:

In order to achieve the key priority on public administration reform in the coming year Albania should in particular:

1. Continue to demonstrate **transparent and merit-based recruitment and dismissal** of civil servants in all state institutions in order to achieve the objective of a professional and depoliticized public administration;
2. Make available accurate information on the public service through the **HRM Information System**, and connect it to the Treasury system;
3. Prepare for implementation of the new **Code of Administrative Procedures** and carry out a parallel review and alignment of other relevant legislation.

Table 12. Support for the PAR process and related activities in Albania

IPA support for the PAR process in Albania (2014–2015) ⁸⁷ :
<p>IPA 2014, Action 4. Support for PAR – €6m, The action will further strengthen public-sector governance and efficiency by improving human resources performance management and professionalizing the civil service. The support planned will ensure the full implementation of the civil service reform and increase oversight of the public administration by third-party institutions. The action will also improve delivery of public services by simplifying the processes and by introducing ICT procedures with the necessary back-office capacities.</p> <p>The expected results of the action are: 1) A professional, impartial, independent and merit-based public administration strengthened (implementation of the whole package of civil service reform by-laws and new code of administrative procedures; establishment of an HRM system dedicated to competence evaluation, professional development and advancement of civil servants; an upgrade of ASPA for HR training and capacity building across the central and local PA); the key performance indicator will be the progress made meeting accession criteria in the area of PA (EC report, one of the priorities for a decision of opening accession negotiations); 2) Oversight mechanisms guaranteeing citizens' rights and access to information enhanced (better collection and procession of data; increased capacity by the Commissioner of Civil Service Supervision, State Audit Institution, Ombudsman and Administrative Courts to supervise PA); the key performance indicator will be the Composite Indicator for Governance, which is the average of the indices for Government Effectiveness, the Burden of Government Regulation and Regulatory Quality (source: World Bank and World Economic Forum); 3) Digitalized and integrated public service delivery (review of operational and administrative procedures to introduce ICT infrastructure and launch of new services via the e-governance portal www.e-Albania.al). The key performance indicator for activity 3 will be the number of services provided via the e-governance portal.</p>
<p>IPA 2014, Sector reform contract for public financial management – €42m – The specific objective is to assist in strengthening the Albanian PFM system as regards an efficient process of budget planning, execution and oversight with a view to reinforcing fiscal discipline, streamlining the allocation of resources according to policy objectives and upgrading public service delivery⁸⁸.</p>

87 Annual Country Action Programme for Albania for 2015 and 2016 (DG NEAR, http://ec.europa.eu/enlargement/instruments/funding-by-country/albania/index_en.htm).

88 http://ec.europa.eu/enlargement/pdf/albania/ipa/2014/20150605-ipa-2014-sector_reform_contract_for_public_finance_management.pdf.

IPA 2015, Action 1 – Sector reform contract for PAR, direct budget support – €28m for the period 2016–2019; monitoring – €0.5m; complementary Technical Assistance (TA) – UNDP – €3.5m; The **overall objective** of this sector reform contract is to assist the Government of Albania in enhancing the transparency, accountability and effectiveness of the public administration, with a greater focus on the needs of citizens and businesses in view of creating a solid basis for the implementation of the EU *acquis*. In line with the PAR strategy 2015–2020, the **specific objectives** of this sector reform contract are to:

- 1) Improve the financial capability of the government to achieve PAR sector policy objectives;
- 2) Promote PAR sector policies and reforms to:
 - Improve planning and coordination to draft government strategic documents;
 - Establish a transparent and all-inclusive system of drafting laws, which is based on agreed policies and which ensures alignment with the *acquis*
 - Establish a professional, impartial, independent and merit-based civil service
 - Reduce corruption opportunities through ensuring quality and accessibility of public services
 - Enhance the accountability of the public administration
- 3) Improve PAR sector governance and institutional capacity at the central and local levels.

This action is expected to contribute to the following **expected results**: 1. strategic planning and policy making fully aligned with the medium-term budget programme of the government; 2. inclusive, participatory and evidence-based policy making and legislative development; 3. efficient and effective implementation of civil service legislation and management of human resources in full compliance with the law; 4. improved public services, provided at a higher level of automation; 5. enhanced accountability of PA; 5. improved strategic management framework and performance monitoring system for PAR, and sustainable financial resources for implementation of the PAR Strategy⁸⁹.

- **IPA instrument – EU integration facility** (IPA 2014 – €10.3m, IPA 2015 – €13.9m) – provides a wide range of operations to increase capacity across the administration including preparation of credible strategies and action plans based on realistic cost analysis. This support will facilitate the move towards a more systematic use of budget support and multi-annual programming. The facility will also **prepare the Albanian administration for future accession negotiations** and will support the effective translation and implementation of the EU *acquis*⁹⁰.

Current SIGMA support for Albania⁹¹:

- The State Minister of Public Administration and Innovation and the Department of Public Administration on co-ordinating the effective implementation of the Cross-Cutting PAR Strategy.
- The Office of the Prime Minister on developing a harmonized methodology and framework for monitoring the implementation of sector strategies.
- The Ministry of Justice on developing a Commentary to the Code of Administrative Procedures.
- The Information and Data Protection Commissioner on preparing the implementation of the new Law on the Right to Information.
- The Public Procurement Agency, the Public Procurement Commission and the Ministry of Economy on promoting sound EU practices through workshops and legislative drafting for the development of the public procurement review function and public private partnerships/concessions⁹².

89 <http://ec.europa.eu/enlargement/pdf/albania/ipa/2015/ipa-2015-038715.01-al-sector-reform-contract-for-public.pdf>.

90 IPA II 2014, Action Programme for Bosnia and Herzegovina.

91 IPA II 2014, Action Programme for Bosnia and Herzegovina.

92 <http://www.sigmaweb.org/countries/albania-sigma.htm>.

3.2. Bosnia and Herzegovina

In the 2015 Report, the European Commission estimated that Bosnia and Herzegovina was at an early stage in the reform of its public administration. No progress has been achieved in the past year. The lack of broad political support for countrywide reforms and the fragmentation of the public service are hampering efforts to carry out institutional and legislative reforms. A systematic approach to policy development and coordination is still largely lacking and the politicization of the civil service continues to be an area of concern.

Responsible institutions:

- **Public Administration Reform Coordinator's Office (PARCO)** is the coordinating institution for PAR and is responsible for implementation of the measures arising from the PAR action plans
- Political responsibility for implementation of mentioned measures lie with: the chairman of the Council of Ministers of BH, the prime minister of Federation of BH, the prime minister of the Republika Srpska and the mayor of the District of Brčko.
- **The key actors for PARCO and PAR process:** the Coordination Board for Economic Development and European Integration; the Council of Ministers of BH; the Office of the Chairman of the Council of Ministers of BH; the Directorate for European Integration; the General Secretariat of the Council of Ministers of BH; the Legislative Office of BH; the Ministry of Finance and Treasury of BH; the Ministry of Justice of BH; the Parliamentary Assembly of BH, the Institution of the Human Rights Ombudsman of BH; the Public Procurement Agency of BH; Procurement Review Body; as well as the
- Government of the Federation of BH; the Government of the Republika Srpska; the Government of the District of Brčko; and the
- Federation of BH Public Administration Reform Coordinator; the Republika Srpska Public Administration Reform Coordinator; the Brčko District Public Administration Reform Coordinator; and the Civil Service Agency of BH;
- Other public administration authorities/services/bodies in accordance with their competences.
- **The key actors that are directly involved in implementation of the PAR measures arising from action plans:** monitoring teams (seven teams for six reform areas); teams for implementation (formed for each project); the Ministry of Justice of BH; the Civil Service Agency of BH; the Ministry of Communication and Transport of BH; the Agency for Identification Documents, Registers and Data Exchange of BH; the Civil Service Agency of the Federation of BH; the Federal Ministry of Justice; the Federal Ministry of Finance; the Federal Ministry of Transport and Communication; the General Secretariat of the Government of the Federation of BH; the Office of the Government of Federation of BH for Legislation and Harmonization with EU Regulations; the Press Office of the Government of the Federation of BH; the Civil Service Agency of the Republika Srpska; the Ministry of Administration and Local Self-Government of the Republika Srpska; the Ministry of Finance of the Republika Srpska; the General Secretariat of the Government of the Republika Srpska; the Secretariat for Legislation of the Republika Srpska; the Agency for Information Society of the Republika Srpska; the Department for Expert and Administrative Affairs of the Government of the District of Brčko; the Secretariat of the Government of the District of Brčko; the Expert Service of the Assembly of the District of Brčko; the Mayor's Office of the District of Brčko; the Directorate for Finance of the District of Brčko.⁹³
- **Relevant institutions in the FBH:** the Federal Ministry of Justice/Civil Service Agency of the FBH/Cantonal civil service agencies; the Federal Ministry of Transport and Communication; the Federal Ministry of Finance/cantonal ministries of finance; General Secretariat of the Government of the FBH/cantonal governments; the Federal Ministry

93 Questionnaire – BH.

of Communication; the Office of the Government of the FBH for European Integration⁹⁴;

- **Relevant institutions in the RS:** the competent institution for the coordination of activities in the field of public administration reform in the Republic of Srpska is the Ministry of the Administration and Local Self-Government; the competent institution for coordination of activities in the field of European integration is the Ministry of Economic Relations and Regional Cooperation;

The other relevant institutions in the RS are: a) the Government of the Republic of Srpska – General Secretariat and the Office of the President of the Government of the Republic of Srpska, responsible for coordination and adoption of strategic documents, coordination of development and preparation of laws and other policies; b) the Ministry of Finance, responsible for implementation of reform of the financial sector; c) the Ministry of Administration and Local Self-Government, responsible for coordinating activities in the field of public administration reform of the Republic of Srpska; d) the Ministry of Economic Relations and Regional Cooperation, responsible for coordinating the process of European integration; e) the Republic Secretariat for Legislation, responsible for developing, monitoring and improvement of the legal system of the Republic of Srpska; f) the Civil Service Agency of the Republic of Srpska, responsible for the establishment and implementation of uniform rules and procedures for recruitment, appointment and nomination, and other issues related to human resources; and g) the Agency for Information Society⁹⁵.

PAR strategic documents and analysis:

- Strategy of the Public Administration Reform of Bosnia and Herzegovina (2006–2014)⁹⁶
- Action Plan for PAR 1 (2006–2010)⁹⁷
- Revised Action Plan for PAR 1 (2011–2014)⁹⁸
- Remark: the Public Administration Reform Coordinator's Office (PARCO) is currently developing a new strategic framework for BH; **Operative Plan for PAR in BH** was prepared in April 2016 (the New Strategic Framework for PAR in BH)

Federation of BH⁹⁹

- Strategy for professional development of local self-government units in the Federation of Bosnia and Herzegovina (2016–2020).
- Strategy for professional development of employees in the Federation of Bosnia and Herzegovina (2016–2020).
- Policies of the Government of the Federation of Bosnia and Herzegovina on limiting of public expenditure on salaries and other payments over salaries (Conclusion of the Government of the Federation of BH Number 1363/2016, 24 June 2016).
- Several conclusions of the Government of the FBH (Conclusion of the Government No. 1226/2011– internal appointment of civil servants; Conclusion of the Government No. 424/2015; Conclusion of the Government No. 624/2015; Conclusion of the Government No. 1914/2015; Conclusion of the Government No. 760/2016; Conclusion of the Government No. 1375/2016.

Republic of Srpska

- Framework plan for the training of employees in the administrative bodies of the Republic of Srpska for the period 2015–2018;
- Annual Staff Plans of the Government of the Republic of Srpska;
- Anti-Corruption Strategy in the Republic of Srpska 2013–2017 and its Action Plan;
- E-Government strategy of the Republic of Srpska;
- The economic policy of the Government of the Republic of Srpska (annual document);

94 Questionnaire – FBH.

95 Questionnaire – Republic of Srpska.

96 <http://parco.gov.ba/latn/?page=110>.

97 <http://parco.gov.ba/latn/?page=111>.

98 <http://parco.gov.ba/latn/?page=29>.

99 Documents related to HRM.

Related strategic documents and analysis (BH):

- Economic reform programme for BH for 2016–2018¹⁰⁰;
- Reform agenda for BH 2015–2018¹⁰¹ and the Action plans for its implementation¹⁰²;
- “Base for the development of the second Action Plan” (2011); and “Analysis of the organizational structure of public administration in BH with recommendations and proposals of measures for Action Plan 2 for PAR” (2011)¹⁰³;
- Policy framework for the development of HRM within the structures of public administration in BH¹⁰⁴;
- Information Society Development Policy in BH, Information Society Development Strategy in BH, Information Society Development Action Plan¹⁰⁵ and Strategy and Action Plan for CERT establishment in BH;
- *Remark:* the Ministry of Finance and Treasury of BH is currently developing the Public Finance Management Strategy.
- Revised communication strategy of the Council of Ministers of BH for 2016–2018¹⁰⁶.

Legislation:

BH

- Law on Financing of the Institutions of BH (unofficial consolidated text)¹⁰⁷
- Law on Financing of the Institutions of BH (OG BH No. 61/04 and 49/09)
- Law on Excise (OG BH No. 49/09)
- Law on the Fiscal Council of BH (OG BH No. 63/08)
- Law on the Internal Audit of the Institutions of BH (OG BH, No. 27/08)
- Law on the adoption of the Law on Temporary Prohibition of Disposal with State Property (OG BH No. 32/07)
- Law on the Settlement of Liabilities Arising from Savings of Old Foreign Currency (OG BH No. 28/06, 76/06 and 72/07)
- Law on the Indirect Taxation Procedure (OG BH No. 89/05)
- Law on the Indirect Taxation Authority (OG BH No. 89/05)
- Law on Borrowing, Debt and Guarantees of BH (OG BH No. 52/05 and 103/09)
- Law on VAT (OG BH, No. 9/05)
- Law on the Establishment of the Export Credit Agency of BH (IGA) (OG BH No. 62/04)
- Law on the Customs Policy of BH (OG BH No. 57/04 and 51/06)
- Law on Payments to Singular Account and Allocation of the Revenues (OG BH No. 55/04 and 49/09)

100 www.dep.gov.ba/naslovna/?id=1723.

101 PAR as one of key priority in the Reform agenda includes the following **measures**: 1. preparation of PAR and PFM strategies; 2. drafting of a new laws on civil servants and employees at all levels of government; 3. All levels of government will introduce limits on hiring in the public administration until revised staffing systems can be devised and implemented (including the use of service norms) and public-sector wages will be frozen until a revised system of wage setting according to merit can be put in place; and 4. The publication of decisions on complaints in Public Procurement procedures (as a legal obligation) is central to ensuring transparency in procurement procedures—through deliberations on appeals and public access to the case law of the Procurement Review Body. http://vijeceministara.gov.ba/home_right_docs/default.aspx?id=20036&langTag=bs-BA.

102 The Reform Agenda's Action Plans were prepared and adopted by the Council of Ministers of BH, the governments of the Federation of BH, the Republika Srpska and the District of Brčko in the second half of 2015.

103 These documents are the result of the project, so it should be treated in that context. The document has not been adopted by Council of Ministers of BH, or by any other government.

104 This document is the result of cooperation between PARCO and SIGMA. In April 2014, the document was sent to the Council of Ministers of BH and other governments for adoption. Until now it has been adopted only by the Government of the District of Brčko.

105 This was created in 2004 but has not yet been updated.

106 http://www.vijeceministara.gov.ba/akti/prijedlozi_zakona/default.aspx?id=21283&langTag=hr-HR.

107 http://www.ads.gov.ba/v2/index.php?option=com_content&view=category&id=36%3Acivil-service-law&Itemid=88&layout=default&lang=bs.

- Law on the Settlement of the Internal Debt of BH (OG BH No. 44/04)
- Law on the Accounting and Auditing of BH (OG BH, No. 42/04)
- Law on the Insurance Agency of BH (OG BH No. 12/04)
- Law on the Indirect Taxation System in BH (OG BH No. 44/03, 32/07 and 49/09)
- Law on Deposit Insurance in the Banks of BH (OG BH No. 20/02, 18/05 and 75/09)
- Law on amendments to the Law on the External Debt of BH (OG BH 32/01)
- Law on the Procedure of the Conclusion and Execution of International Agreements of BH (OG BH No. 29/00)
- Law on the Treasury of the Institutions of BH (OG BH No. 27/00)¹⁰⁸
- Law on Public Procurement (OG BH No. 39/14)
- Law on Civil Service in the Institutions of BH (OG BH No. 19/02, 35/03, 4/04, 17/04, 26/04, 37/04, 48/05, 2/06, 32/07, 43/09, 8/10 and 40/12),¹⁰⁹
- Law on Salaries and Reimbursements in the Institutions of BH (OG BH No. 50/08, 35/09, 75/09, 32/12, 42/12, 50/12, 32/13, 87/13, 75/15, 88/15 and 16/16)
- Law on the Council of Ministers of BH (OG BH No. 30/03, 42/03, 81/06, 76/07, 81/07, 94/07 and 24/08)¹¹⁰
- Law on the Ministries and other Administrative Authorities of BH (OG BH No. 05/03, 42/03, 26/04, 42/04, 45/06, 88/07, 35/09, 59/09, 103/09, 87/12, 06/13 and 19/16)
- Law on Administrative Procedure (OG BH No. 29/02, 12/04, 88/07, 93/09, 41/13 and 53/16)¹¹¹
- E-government legislation – There is no unique and unambiguous legal framework that regulates the E-Government System in BH, as in the case of some other countries. The Decision on Software Policy has made an attempt at a systemic approach in regulating at least a part of this area. However, this has not been achieved, due to partial implementation and non-implementation of the planned activities arising from the mentioned Software Policy. It can be said that in BH the E-Government System is regulated by partial laws that define certain segments of the E-Government System (such as the Law on the Ministries and other Administrative Authorities of BH, the Law on Electronic Signatures, the Law on Electronic Legal and Commercial Transactions, the Law on Electronic Documents, some laws in the competence of the Agency for Identification Documents, Registers and Data Exchange – IDEEA, the Decision on Electronic Business and E-Government in the Council of Ministers of BH).
- Law on Free Access to Information in BH¹¹² (OG BH No. 28/00, 45/06, 102/09, 62/11 and 13/100)
- Unified Rules for Legislative Drafting in the Institutions of Bosnia and Herzegovina (OG BH No. 11/05, 58/14 and 60/14)
- Rules on Consultations in Legislative Drafting (OG BH No. 81/06 and 80/14)
- Decision on the process of medium-term planning, monitoring and reporting in the institutions of BH (OG BH No. 62/14)
- Decision on the annual planning of work and type of monitoring and reporting on the work of institutions of BH (OG BH No. 94/14)
- Conclusion of the Council of Ministers of BH regarding establishment of the Advisory Council of the Initiative “Open Government Partnership” and Framework Action Plan for the implementation of the Initiative “Open Government Partnership”

108 Laws 2-24 available on http://www.mft.gov.ba/bos/index.php?option=com_content&view=article&id=143&Itemid=147.

109 http://www.ads.gov.ba/v2/index.php?option=com_content&view=category&id=36%3Acivil-service-law&Itemid=88&layout=default&lang=bs

110 http://www.vijeceministara.gov.ba/pdf_doc/default.aspx?id=12235&langTag=bs-BA.

111 <http://www.mpr.gov.ba/biblioteka/zakoni/default.aspx?id=1894&langTag=bs-BA>.

112 http://www.mpr.gov.ba/pristup_info/default.aspx?id=2574&langTag=bs-BA.

Federation of BH

HRM

- Law on Civil Service in the Federation of BH (OG FBH No. 29/03, 23/04, 39/04, 54/04, 67/05, 8/06, 4/12 and 99/15)
- Law on Employees in the Civil Service Bodies in the FBH (OG FBH No. 49/05)
- Law on the Principles of Local Self-Government in the Federation of Bosnia and Herzegovina (OG FBH No. 49/06 and 51/09)
- Regulation on the planning, organization and implementation of professional education and training of civil servants in the civil service bodies in the FBH (OG FBH No. 20/13)
- Regulation on the criteria for recognition of the status of trainer in the implementation of professional education and training of civil servants in the civil service bodies in the FBH (OG FBH No. 20/13, 81/15 and 50/16)
- Introducing competencies for managerial and non-managerial work positions in the Federation of BH: Decree of the Government of the Federation of BH on core and auxiliary-technical business activities and conditions for performing those in the administration bodies and services in the FBH (OG FBH No. 35/04, 3/06, 19/12 and 24/16)
- Decision on ensuring financial sustainability of the training for employees and elected officials in the local administrative units of the FBH No. 600/2013, (OG FBH No. 52/2013)

E-government

- Law on Administrative Procedures in the Federation of BH (OG FBH No. 2/98 and 48/99)
- Law on Administrative Disputes in the FBH
- Law on Electronic Documents (OG FBH No. 55/13)
- Decree on Property Management Software in the authorities of the FBH (OG FBH No. 3/15)
- Decision of the Government of the FBH on the adoption of the Interoperability Framework (OG FBH 56/16)
- Decision on the Adoption of Guidelines and Standards for Architecture System and Application development

Public policy

- Rules and procedures in the process of drafting laws and by-laws of the Federation of BiH (OG FBH No. 79/14)
- Decree on business planning and reporting of the business results of the Government of the Federation of BH (OG FBH No. 89/14 and 107/14)
- Decree on rules for participation of interested parties in the process of preparation of laws and by-laws (OG FBH No. 51/12)
- Decree on Regulatory Impact Assessment (OG FBH No. 55/14)
- Rules of procedures of the Work of the Government of the Federation of BH (OG FBH No. 6/10, 37/10 and 62/10)

Republic of Srpska

- Law on Civil Servants (RoS OG No. 118/08, 117/11 and 37/12)
- Law on the Government (RoS OG No. 118/08)
- Law on Republic Administration (RoS OG No. 118/08, 11/09, 74/10, 86/10, 24/12, 121/12 and 15/16)
- Law on the Salaries of Employees in the Administrative Bodies of the Republic of Srpska (RoS OG No. 31/14 and 33/14)
- Law on Administrative Procedures (RoS OG No. 13/02, 87/07 and 50/10)
- Law on Administrative Disputes (RoS OG No. 109/05)
- Law on Administrative Inspection (RoS OG No. 01/09 and 94/15)
- Law on Electronic Signatures of the Republic of Srpska (RoS OG No. 106/15)
- Law on Electronic Documents of the Republic of Srpska (RoS OG No. 106/15)
- Law on Electronic Commerce (RoS OG No. 59/09 and 33/16)
- Rules of Procedure of the Government of the Republic of Srpska (RoS OG No. 10/09)

- Regulation on Principles of Internal Organization and Systematization of Jobs in Republic Authorities of the Republic of Srpska (RoS OG No. 18/09 and 105/11)
- Guidelines for Republic Administrative Authorities on public participation and consultation in the drafting of legislation (RoS OG No. 123/08 and 73/12)
- Decision of the Government of the Republic of Srpska on Regulatory Impact Assessment in the Process of Drafting Laws (RoS OG No. 19/13)
- Rules for Drafting Laws and Other Regulations of the Republic of Srpska (RoS OG No. 24/14)
- Decision on the Procedure of Planning, Monitoring and Reporting on the Implementation of Adopted Strategies and Plans of the Government of the Republic of Srpska and Republic Administrative Bodies (RoS OG No. 50/16)

Recommendation for PAR in the 2015 EC report:

In order to achieve the key priority on public administration reform in the coming year Bosnia and Herzegovina should in particular:

- **Develop, adopt and start to implement a new country-wide PAR strategic framework** and ensure appropriate political leadership and guidance on PAR in the country;
- Ensure implementation of an effective **human resources management (HRM) system**;
- Develop a **public financial management (PFM) reform programme**, which is clearly linked to the new PAR strategic framework.

Table 13. Support for the PAR process and related activities in Bosnia and Herzegovina

IPA support for the PAR process in BH (2014–2015) ¹¹³ :
<p>IPA 2014 – no projects related to PAR and PFM</p>
<p>IPA 2015, Action 2. Support for PAR and reform of statistical system, €3.5m</p> <p>The Action will support the Public Administration Reform Coordinator's Office (PARCO) in strengthening the institutional framework for and in managing the implementation of the Public Administration Reform (PAR) Strategic Framework 2016–2020. It will also support Bosnia and Herzegovina's statistical institutions in improving and developing the statistics system and implementation of the Strategy for Development of Statistics of Bosnia and Herzegovina 2020. The specific objectives of the Action are: 1) to support the implementation of the PAR Strategic Framework; and 2) to strengthen the statistical system by improving and developing institutional capacities in the areas of National Accounts, Business Statistics, Balance of Payments (BoP) and International Investment Position (IIP) statistics.</p> <p>The expected results are:</p> <ul style="list-style-type: none"> • The institutional framework, management and organizational structure to implement the PAR Strategic Framework finalized and improved; • Capacity to manage, coordinate and monitor the implementation of the PAR Strategic Framework developed and strengthened, and increased visibility and promotion of the PAR interventions; • Improved national accounts by introduction of regional accounts; • Strengthened Business Statistics by improving the Statistical Business Register, Structural Business Statistics (SBS), Short-Term Statistics (STS) and tourist statistics; • Quality criteria and quality reporting on balance of payments statistics, BoP and IIP statistics introduced. <p>Key performance indicators are:</p> <ul style="list-style-type: none"> • An organizational framework for the implementation of the PAR Strategic Framework proposed, agreed and accepted by the beneficiaries; • A number of trained beneficiaries from the PAR structures in accordance with the training plan;

¹¹³ Annual Country Action Programme for Bosnia and Herzegovina for 2015 and 2016 (DG NEAR, http://ec.europa.eu/enlargement/instruments/funding-by-country/bosnaandherzegovina/index_en.htm).

- An increased number of indicators (regional accounts, SBS, STS, tourist statistics) for which data is collected and disseminated to users;
- IIP and BoP statistics produced according to EU standards (Central Bank of BH).

IPA instrument – EU integration facility (IPA 2014 – €2.09m, IPA 2015 – €4.58m) – The Actions are designed to provide support to institutions in BH at various levels in order to address the specific needs identified in the course of the European integration process, including the needs for acquiring post-graduate and short, intensive academic education on EU integration/affairs for public servants at universities in the EU.

After adoption of the PAR strategy, the **PAR sector is a potential sector for direct budget support.**

Current SIGMA support for Bosnia and Herzegovina¹¹⁴:

- The Public Administration Reform Coordinator's Office (PARCO) and the Brčko District Public Administration Reform Coordinators to support efforts to **prepare a new strategic framework for public administration reform.**
- The respective ministries at different BH levels to **improve the legislative framework in the area of the civil service**, in co-operation with the EU Delegation.
 - The Ministry of Finance and Treasury to support the drafting of a Public Finance Management Reform Programme.
 - The Public Procurement Agency to provide advice and support for legislative development in the area of public procurement.
- **The Procurement Review Body** to deliver training to its newly appointed members.

3.3. Macedonia

In its 2015 Report, the European Commission estimated that Macedonia was moderately prepared in the reform of its public administration. It had made some progress on legislation and the improvement of service delivery to citizens and businesses. Concern about politicization has been heightened by the content of leaked wiretaps and a delay in fully implementing the new legal framework. Strong political will is necessary to guarantee the independence of the administration and respect for the principles of transparency, merit and equitable representation.

Responsible institutions:

- **The Ministry of Information Society and Administration (MISA)** – plays a core role in the field of Public Administration Reform and Development. MISA has competences regarding public administration reform and development including preparation of strategic documents related to PAR, coordination of foreign donors in this field, human resource management and development, oversight of administrative decision-making, and various other horizontal administrative functions¹¹⁵.
- **The Government** – has the responsibility to discuss at least twice a year implementation of the PAR Strategy in thematic meetings. In order to resolve political issues, the prime minister may ask for consultations with the responsible ministries before the beginning of the thematic meetings¹¹⁶.
- **The General Collegium (State Secretary's Collegium)** – has the responsibility to discuss different matters relevant to PAR at extraordinary and thematic meetings, before the government's thematic meetings take place.
- **The General Secretariat** – responsible for strategic planning and coordination for

¹¹⁴ <http://www.sigmaweb.org/countries/bosnia-and-herzegovina-sigma.htm>, (August 2016).

¹¹⁵ <http://www.mio.gov.mk/>.

¹¹⁶ <http://www.vlada.mk/?language=en-gb>.

the government and for the development of strategic planning of the policies that are determined by the government¹¹⁷.

- **The Ministry of Finance (MF)** – has responsibility for fiscal policy, public finance management and improvement of the budget process¹¹⁸.
- **The Secretariat for European Affairs** – has the responsibility for professional support and coordination in the work of state administration authorities and of other bodies and institutions in the light of preparing the Republic of Macedonia for EU membership¹¹⁹.
- **The Agency for Administration** – has responsibility for consistent implementation of the legislative framework for administrative officials in accordance with agreed reform developments in this area in the country¹²⁰.
- Other public administration authorities in accordance with their competences.

PAR strategic documents and analysis:

- Public Administration Reform Strategy for the period 2010–2015, (December 2010), with Action Plan for its implementation
- Revised Action Plan for the Public Administration Reform Strategy 2010–2015
- Drafting of new PAR Strategy 2017–2022 (ongoing)
- Programme for Sustainable Local Development and Decentralization in the Republic of Macedonia 2015–2020
- Action Plan for the Implementation of the 2015–2020 Programme for Sustainable Local Development and Decentralization

Related strategic documents and analysis:

- Programme of the Government of the Republic of Macedonia 2014–2018
- National Strategy for the Development of e-content 2010–2015
- National Short-Term ICT Strategy 2016–2017
- National Strategy for E-Inclusion
- Fiscal Strategy for the Republic of Macedonia 2014–2016

Legislation:

- Law on Administrative Servants (OG RM Nos. 27/14, 199/14, 48/15, 154/15, 5/16 and 142/16)
- Law on Employees in the Public Sector (OG RM Nos. 27/14, 199/14 and 27/16)
- Law on Local Self-Government (OG RM No. 5/02)
- Law on General Administrative Procedure (OG RM No. 123/15)
- Law on Inspection Supervision (OG RM Nos. 50/10, 162/10, 157/11, 147/13, 41/14, 33/15, 193/15 and 53/16)
- Law on Administrative Inspection (OG RM Nos. 69/2004, 22/2007, 115/2007, 51/11, 164/13, 41/14, 33/15, 156/15, 193/15 and 53/16)
- Law on Interception of Communications (OG RM Nos. 39/14, 188/14, 44/15 and 52/16)
- Law on Free Access to Public Information (OG RM Nos. 13/2006, 86/08, 6/10, 42/14, 148/15 and 55/16)
- Law on Electronic Management (OG RM Nos. 105/09, 47/11, 193/15 and 52/16)
- Law on Electronic Commerce (OG RM Nos. 133/07, 17/11, 104/15 and 192/15)
- Law on Data in Electronic Form and Electronic Signatures (OG RM Nos. 34/01, 6/2002, 98/08 and 33/15)

Recommendation for PAR in the 2015 EC report:

In order to achieve the key priority on public administration reform in the coming year Macedonia should in particular:

- Address **serious concerns about the politicization of public services**; ensure full

117 <http://vlada.mk/node/336?language=en-gb>.

118 <http://www.finance.gov.mk/en>.

119 <http://www.sep.gov.mk/en/>.

120 <http://www.ads.gov.mk/status-i-nadleznosti.nspix>.

- implementation of the principles of **accountability, transparency and merit** (Urgent Reform Priority, including introduction of an improved **HRM information system**);
- Suspend and review the implementation of the **Law on Transformation of Temporary Positions into Permanent Contracts** until the principle of merit is fully observed (Urgent Reform Priority);
 - **Adopt a PAR strategy and a PFM reform programme**, which will address the weaknesses identified, including budget transparency.

Table 14. Support for the PAR process and related activities in Macedonia

IPA support for the PAR process in Macedonia (2014–2015) ¹²¹ :
<p>IPA 2014 – Only programme support for the judicial sector – €13m IPA 2015 – No information available on Sector 2 – RoL and fundamental rights</p>
<p>IPA instrument – EU integration facility – IPA 2014 – €8m, IPA 2015 – €4m 2014 - The main objective of this Action is to strengthen the technical and administrative capacity of the administration in relation to the European integration process and to support effective and efficient management and absorption of EU pre-accession funds. The track record of financial assistance implementation in the country shows that further improvements are needed. One of the major challenges that the administration is facing is a lack of mature projects, backlogs in procurement, timely contracting and utilization of programmed IPA funds. Building up the necessary capacity to improve strategic planning, project-cycle management, project preparation, carrying out proper needs assessment, ensuring reliable statistics, developing mature sectoral programmes and project pipeline for investment and institutional/capacity building activities remain a priority. This action will help addressing these system weaknesses by providing small-scale technical assistance on the preparation, implementation and monitoring of the projects programmed under the IPA National Programme with a view to maximizing the use of pre-accession funds and to improving their effectiveness and impact. The Action is designed to provide flexible support for small-scale capacity building projects that cannot be channelled through alternative instruments, such as TAIEX. The assistance under this action should result in improved alignment with and enforcement of the <i>acquis</i> and in more efficient and effective programming and implementation of pre-accession financial assistance. Achievement of this result will be measured mainly against the following key performance indicators: progress in terms of the percentage of committed funds; improved capacity of the administration to programme and implement financial assistance; gradual introduction of the sector-based approach. 2015 – The main objective of this action is to promote long-term and strategic investment in further developing democratic institutions and strengthening their independence, including support for “urgent reform priorities”; the adoption, implementation and enforcement of the EU <i>acquis</i>; empowering dialogue with non-state actors; setting up a proper system for sound financial management of EU funds by supporting and enhancing structures for coordination, programming, project development, management, implementation, training, monitoring, evaluation, control and audit of EU funds and ensuring proper information and visibility of the EU agenda and financial assistance.</p>
<p>Current SIGMA support for Macedonia¹²²:</p> <ul style="list-style-type: none"> • The Ministry of Information Society and Administration to support preparation for the Public Administration Reform Strategy. • The Ministry of Finance to support preparation for the Public Financial Management Reform Programme and the implementation of Public Internal Financial Control. • The Public Procurement Bureau to support preparation of an impact assessment of proposed changes in the legislation. • The State Appeals Commission to organize workshops on the practical aspects of the EU public procurement system, especially regarding corruption risks.

121 Annual Country Action Programme for Macedonia for 2015 and 2016 (DG NEAR, http://ec.europa.eu/enlargement/instruments/funding-by-country/macedonia/index_en.htm).

122 <http://www.sigmaweb.org/countries/the-former-yugoslav-republic-of-macedonia-sigma.htm>, August 2016).

3.4. Montenegro

In its 2015 Report, the European Commission estimated that Montenegro is **moderately prepared** in the reform of its public administration. It made **some progress** over the past year, mainly in service delivery to its citizens and businesses and in public financial management. However, while Montenegro made some progress under its 2011–2016 public administration reform (PAR) strategy, it did not achieve all its objectives. Delays in the rationalization of the public sector are also an issue of concern.

Responsible institutions:

- **The Ministry of Interior** – the Directorate for Public Administration and Local Self-Government – in charge of overall PAR process and the role of coordinating entity in the sphere of implementation of the 2016–2020 Strategy;
- **Human Resources Management Authority**, HRMA (or HR Administration) – in charge of civil service reform and support for implementation of PAR and its AP;
- **Ministry of Finance** – in charge of PFM strategy
- As regards the coordination structure, **the Council for Public Administration Reform**¹²³ will be established at the political level. Its work will be managed by the deputy prime minister in charge of the political system and domestic and external policy, and will be made up of the representatives of key institutions for the implementation of public administration reform, as well as NGO representatives.
- **The Special Group for Public Administration Reform** – in charge of the exchange of information on the progress of the reform with the representatives of the European Commission¹²⁴; PAR, as well as PFM and accession negotiation requests related to administrative capacities (the National Programme of Accession of Montenegro).

PAR strategic documents and analysis:

- Public Administration Reform Strategy for the period 2011–2016, AURUM, (March 2011) with the Action Plan for its implementation
- Annual reports on AP for PAR strategy implementation (2012, 2013, 2014 and 2015)
- Analysis of effects of implementing PAR strategy 2011–2014
- Public Sector Internal Reorganization Plan 2013–2017 (18 July 2013)
- Annual reports on the implementation of the Public Sector Internal Reorganization Plan (2014 and 2015)
- PAR STRATEGY 2016–2020 (April 2016) with the AP for its implementation (28 July 2016)
- Human Resource Plan for the public administration authorities and services of the Government of Montenegro for 2016 (12 May 2016)

Related strategic documents and analysis:

- Strategy for professional development of local self-government in Montenegro 2015–2018 with the Action Plan for its implementation
- Programme of Public Finance Management Reform 2016–2020 (3 December 2015)
- Strategy for Information Strategy Development until 2020, 2016 (APs will be adopted annually)
- Strategy for public internal financial control (PIFC) 2013–2017

Legislation:

- Law on the Budget and Fiscal Responsibility (OGM Nos. 20/14 and 56/14)

¹²³ With the establishment of the Council, the bodies which have been coordinating public administration reform at the administrative level so far will cease to exist (Coordination Body for Monitoring Implementation of Public Administration Reform Strategy and Public Sector Internal Reorganization Plan and Coordination Committee for Local Self-Government Reform).

¹²⁴ PAR, as well as PFM and accession negotiation requests related to administrative capacities (the National Programme of Accession of Montenegro)

- Annual budget laws of Montenegro (2014, 2015)
- Law on the System of Internal Financial Controls in the Public Sector (PIFC), (OGM Nos. 73/08, 20/11, 30/12 and 34/14)
- Law on Financing of Local Self-Government (OGRM Nos. 42/03 and 44/03, OGM Nos. 5/08, 51/08, 74/10, 1/15, 78/15 and 3/16)
- Law on Civil Servants and State Employees (OGM Nos. 39/11, 50/11, 66/12, 34/14, 53/14 and 16/16)
- Decree on criteria for classification of jobs of positions of civil servants within levels and categories (OGM No. 12/13)
- Law on the Salaries of Public-Sector Employees (OGM No. 16/16)
- Law on Public Administration, (OGRM Nos. 38/03, 22/08 and 42/11)
- Decree on the organization and functioning of public administration (OGM Nos. 5/12, 25/12, 44/12, 61/12, 20/13, 17/14, 6/16, 80/15, 35/16 and 41/16)
- Law on Local Self-Government (new law in the parliamentary procedure) (OGRM Nos. 42/03, 28/04, 75/05 and 13/06, OGM Nos. 88/09, 3/10, 38/12, 10/14, 57/14 and 3/16)
- Decree on the Government (OGM No. 80/08)
- Rulebook on the work on the Government (OGM Nos. 3/12 and 31/15)
- Law on Administrative Procedure (OGM Nos. 56/14, 20/15 and 40/16) – implementation from 1 July 2017/ Law on General Administrative Procedure (OGRM No. 60/03 and OGM No. 32/11)
- Law on Administrative Disputes (OGM No. 54/16)
- Law on Inspection Control (OGRM No. 39/03, OGM Nos. 76/09, 57/11, 18/14, 11/15 and 52/16)
- Law on E-Government (OGM No. 42/14)
- Law on Labour (OGM Nos. 49/08, 26/09, 88/09, 26/10, 59/11, 66/12, 31/14 and 53/14)
- Decree on the procedure and manner of conducting public debates in preparing laws (OGM No. 12/12)
- Decree on the terms and procedures for cooperation between public administration authorities and NGOs (OGM No. 12/12)
- Law on Electronic Signatures (will soon be transformed into the Law on Electronic Identification and a new Law on Electronic Documentation will be prepared) (OGRM Nos. 55/03 and 31/05, OGM Nos. 41/10 and 40/11)

Recommendation for PAR in the 2015 EC report:

In order to achieve the key priority on public administration reform in the coming year Montenegro should in particular:

- Adopt/start to implement a new 2016–2020 PAR strategy and a multiannual public financial management reform programme;
- Ensure full implementation of the Law on Civil Servants and State Employees (*postponed until mid-2017*) and adhere to the principles of merit, de-politicization and transparency in recruitment, appraisals and dismissals at all levels, including for senior positions;
- Prepare for the implementation of the new law on general administrative procedures, and carry out a parallel review and alignment (as necessary) of all other relevant legislation; and
- Ensure that the adopted measures to rationalize public administration are implemented, while ensuring the necessary capacity and skills for European integration.

Table 15. Support for the PAR process and related activities in Montenegro

IPA support for the PAR process in Montenegro (2014–2015) ¹²⁵ :
<p>IPA 2014, Action 2, Support for PFM policies – €3.6m – to improve efficiency, effectiveness and transparency of public finance management (PFM). Expected results: R1: Improved budget system based on transparent programme structure, clear policy objectives and performance indicators to provide solid basis for further fiscal reforms (to introduce programme-based budget); R2: Improved transparency and accountability of decision making as regards PFM (PIFC Strategy and its AP implemented in line with the applicable time-tables); R3: Key PFM policies – state aid, concessions and public procurement, improved as regards legislation, institutional set-up and capacities; R4: Strengthened external audit performed by the State Audit Institution and the Audit Authority.</p>
<p>IPA 2014, Action 4 – Implementation of an e-procurement system – €1.5m; To establish an e-procurement system in the classical sector in line with the EU <i>acquis</i> and best practices Expected results – R1: A developed electronic public procurement system, supporting electronic implementation of public procurement procedures; R2: The business community and national administration prepared to use the e-procurement system¹²⁶.</p>
<p>IPA 2015 – Sector budget support for IBM strategy – €20m The PAR sector is potentially next sector for direct budget support (IPA 2016 or further)</p>
<p>IPA instrument – EU integration facility (IPA 2014 – €4.6m, IPA 2015 – €2.45m)</p>
<p>Current SIGMA support for Montenegro¹²⁷:</p> <ul style="list-style-type: none"> • The Secretariat-General of the Government, the Ministry of Finance and the Ministry of Foreign Affairs and European Integration (MFAEI) to establish consistent minimum requirements for sectoral strategies. • The Ministry of Foreign Affairs and European Integration to analyse the institutional and legal conditions for the implementation of future EU Cohesion Policy programmes. • The Ministry of Interior to harmonize the accountability schemes for autonomous public agencies. • The Human Resource Management Authority to develop a competency framework for senior civil servants. • The Ministry of Finance to improve the quality of Regulatory Impact Assessment in policy making and to increase the quality of analysing progress in developing internal controls in public sector organizations. • The State Audit Institution to assist with analysis of fiscal responsibility criteria. • The Public Procurement Agency to provide support for the development of the public procurement system and the harmonization of the Public Procurement Law with the new EU Directives.

3.5. Serbia

In its 2015 Report, the European Commission estimated that Serbia is **moderately prepared** in the reform of its public administration. Good progress has been achieved with the adoption of a comprehensive public administration reform action plan, a law on inspection oversight, a national training strategy for local government and a law on the maximum number of public-sector employees. However, Serbia now needs to ensure that its ambitious reform plans and the legal framework are implemented. Strong political will remains essential to

¹²⁵ Annual Country Action Programme for Montenegro for 2015 and 2016 (DG NEAR, http://ec.europa.eu/enlargement/instruments/funding-by-country/montenegro/index_en.htm).

¹²⁶ http://ec.europa.eu/enlargement/pdf/montenegro/ipa/2014/ipa_2014_032022_4_me_e-procurement.pdf.

¹²⁷ SIGMA support to the Ministry of Interior on finalizing the new PAR Strategy 2016–2020 has been secured, (<http://www.sigmaweb.org/countries/montenegro-sigma.htm>, August 2016).

professionalize and depoliticize the administration and make recruitment and dismissal procedures more transparent, especially for senior management positions.

Responsible institutions:

- The Ministry for Public Administration and Local Self-Government (MPALSG) – in charge of coordination of the process of optimization
 - Directorate for E-Administration
 - Administration Inspectorate
 - Human Resources Management Service (HRMS) – in charge of the optimization process – all ministries within their competencies
- The Ministry of Finance – in charge of PFM strategy
- Other relevant institutions related to PAR: the General Secretariat of Government, the Republic Secretariat for Legislation, the Secretariat for Public Policies of the Republic of Serbia and the Serbian European Integration Office
- PAR strategy monitoring – the Council for Public Administration Reform

PAR strategic documents and analysis:

- Public Administration Reform Strategy in the Republic of Serbia (OG RS No. 9/14 and 42/14)
- Action Plan for the Implementation of Public Administration Reform Strategy in the Republic of Serbia, 2015–2017 (“OG RS” No. 31/2015)
- 2015 Annual Report on the Implementation of the Action Plan of Republic of Serbia Public Administration Reform Strategy for the period 2015–2017¹²⁸
- Six-monthly report on conducted activities from the Action Plan for implementing Public Administration Reform Strategy in the Republic of Serbia 2015–2017, in 2016¹²⁹
- Position Paper – The Modern State, Rational State, June 2015¹³⁰
- Document – Employees in the Public Sector
- Integrated Report on Benchmarking Staffing Levels, April 2015¹³¹

Related strategic documents and analysis:

- Strategy for the Professional Development of Civil Servants (OG RS No. 56/11 and 51/13)
- Strategy for Professional Development of Local Self-Government Units in the Republic of Serbia and the Action Plan for its implementation 2015–2016 (OG RS No. 27/15)
- Strategy of Development of Electronic Government for the period 2015–2018 and the Action Plan for its implementation 2015–2016 (OG RS No. 107/15)
- Strategy of Development of Electronic Communications in the Republic of Serbia 2020 (OG RS No. 51/10)
- National Anti-Corruption Strategy in the Republic of Serbia 2013–2018 (OG RS No. 57/13)
- Action Plan for implementation of National Anti-Corruption Strategy (OG RS No. 79/13 and 61/16)
- Programme of Public Finance Management Reform 2016–2020, November 2015
- Strategy of Internal Financial Controls in the Public Sector in the Republic of Serbia (OG RS No. 61/09 and 23/13)
- Public Procurement Strategy for the period 2014–2018 (OG RS No. 122/14)
- National Programme for the Adoption of the EU Acquis, 2014¹³²
- Modernization and Optimization of Public Administration Programme, 28 March 2016¹³³

128 <http://www.mduls.gov.rs/english/reforma-javne-uprave.php>.

129 <http://www.mduls.gov.rs/english/reforma-javne-uprave.php>.

130 <http://www.mduls.gov.rs/latinica/analiza-javne-uprave.php>.

131 <http://www.mduls.gov.rs/doc/dokumenta/ostala/Creation%20of%20Conditions%20for%20Organizational%20and%20Functional%20Restructuring%20within%20the%20Public%20Administration%20System%20in%20the%20Republic%20of%20Serbia%20-%20Benchmarking%20S.pdf>.

132 http://www.seio.gov.rs/upload/documents/nacionalna_dokumenta/npaa/npaa_eng_2014_2018.pdf.

133 <http://documents.worldbank.org/curated/pt/492311467991009480/Serbia-Modernization-and-Optimizaa>

Legislation:

- Law on Budget System (OG RS No. 54/09, 73/10, 101/10, 101/11, 93/12, 62/13, 63/13, 108/13, 142/14, 68/15 and 103/15)
- Annual Budget Laws of the Republic of Serbia (2014, 2015)
- Law Local Authorities Funding (OG RS No. 2/06, 47/11, 93/12, 99/13, 125/14 and 95/15),
- Law on Public Procurement (OG RS No. 124/12, 14/15 and 68/15) with relevant by-laws
- Law on Civil Servants (OG RS No. 79/05, 81/05, 83/05, 64/07, 67/07, 116/08, 104/09 and 99/14)
- Decree on establishing the Human Resources Management Service (OG RS No. 106/05 and 109/09)
- Decree on Development of the Human Resources Plan for the State Authorities (OG RS No. 8/06)
- Decree on the classification of job posts and standards of job descriptions for civil servants (OG RS No. 117/05, 108/08, 109/09, 95/10, 117/12 and 84/14)
- Decree on the Classification of Work Positions of Public Employees (OG RS No. 5/06 and 30/06)
- Decree on Appraisal of Civil Servants (OG RS No. 11/06 and 109/09)
- Decree on conducting internal and public competitions to fill vacancies in the state authorities (OG RS No. 41/07 and 109/09)
- Decree of Professional Training of Civil Servants (OG RS No. 25/15)
- Decree on State Exam (OG RS No. 16/09 and 84/14)
- Decree on the procedure for obtaining approval for new employment and further engagement of public funds beneficiaries (OG RS No. 113/13, 21/14, 66/14 and 118/14)
- Decree on compensation of expenses and severance of civil servants and public employees (OG RS No. 25/15)
- Rulebook on professional qualifications, knowledge and skills assessed in the selection procedure, modes of their verification and selection criteria for employment (OG RS No. 64/06, 81/06, 43/09 and 35/10)
- Law on Employment in the Autonomous Provinces and Local Self-Government Units (OG RS No. 21/16)
- Law on the Registry of Employees, Elected, Nominated, Appointed and Persons Engaged in Public Funds Beneficiaries (OG RS No. 68/15 and 79/15)
- Decree on Codebook of Job Posts (OG RS No. 12/16)
- Catalogue of job posts in public sector¹³⁴
- Law on Salaries of Civil Servants and Public Employees (OG RS No. 34/01, 62/06, 116/08, 116/08, 92/11, 99/11, 10/13, 55/13 and 99/14)
- Decree on Coefficients for the Calculation and Payment of Salaries of Designated and Appointed Persons and Employees in State Authorities (OG RS No. 44/08 and 2/12)
- Law on Salaries of Civil Servants and Appointees (OG RS No. 62/06, 63/06, 115/06, 101/07, 99/10, 108/13 and 99/14)
- Law on the Method of Determining the Maximum Number of Employees in the Public Sector (OG RS No. 68/15)
- Government Decision on the maximum number of permanent employees in the system of state authorities, public services system, the autonomous province of Vojvodina and local self-government system for 2015 (OG RS No. 101/15, 114/15, 1016, 22/16 and 45/16)
- Law on Determining the Maximum Number of Employees in the Republican Administration (OG RS No. 104/09)
- Law on Determining the Maximum Number of Employees in Local Administration (OG RS No. 104/09)

tion-of-Public-Administration-Program-Project;jsessionid=4lhOZlboZkTxYqvIVv8kCAVZ.

134 <http://www.mduls.gov.rs/latinica/katalozi-radnih-mesta.php>.

- Government Decision on the maximum number of employees in state administration bodies, public agencies and organizations for mandatory social insurance (OG RS No. 69/14, 32/15, 39/15 and 50/15)
- Law on the Government (OG RS No. 55/05, 71/05, 101/07, 65/08, 16/11, 68/12, 72/12, 7/14 and 44/14)
- Decree on the Secretariat General (OG RS No. 75/05, 71/08, 109/09, 85/12 and 102/13)
- Decree of Government Services (OG RS No. 75/05 and 48/10)
- Government Rules of Procedure (OG RS No. 61/06, 69/08, 88/09, 33/10, 69/10, 20/11, 37/11, 30/13 and 76/14)
- Law on Public Administration (OG RS No. 79/05, 101/07, 95/10 and 99/14)
- Law on Ministries (OG RS No. 44/14, 14/15, 54/15 and 96/15)
- Decree on Principles of the Internal Organization and Classification of Jobs in Ministries, Separate Organizations and Government Services (OG RS No. 81/07, 69/08, 98/12 and 87/13)
- Decree on Administrative Districts (OG RS No. 15/06),
- Government Decision on Establishing a Council for Public Administration Reform (OG RS No. 55/13)
- Law on Local Self-Government (OG RS No. 129/07 and 83/14)
- Law on Territorial Organization of the Republic of Serbia (OG RS No. 129/07 and 18/16)
- Law on Public Agencies (OG RS No. 18/0 and 81/05)
- Law on the Ombudsman (OG RS No. 79/05 and 54/07)
- Law on Free Access to Information of Public Importance (OG RS No. 120/04, 54/07, 104/09 and 36/10)
- Law on the Anti-Corruption Agency (OG RS No. 97/08, 53/10, 66/11, 67/13, 112/13 and 8/2015)
- Law on General Administrative Procedure (OG RS No. 18/16),
- Law on Administrative Disputes (OG RS No. 60/03 and 32/11)
- Law on Administrative Inspections (OG RS No. 36/15)
- Law on Electronic Signatures (OG RS No. 135/04)
- Law on Electronic Documents (OG RS No. 51/09)
- Law on Electronic Communications (OG RS No. 44/10, 60/13 and 62/14)

Recommendation for PAR in the 2015 EC report:

In order to achieve the key priority on public administration reform in the coming year Serbia should in particular:

- **Streamline the roles and responsibilities of the leading institutions** in charge of policy making and coordination and **develop a consolidated planning and monitoring system;**
- **Amend the current civil service framework** to fully guarantee neutrality and continuity of the public administration and ensure **merit-based recruitment, promotion and dismissal procedures** by eradicating exceptions and transitional arrangements in appointments; and
- Adopt a comprehensive **multi-annual PFM reform programme.**

Table 16. Support for the PAR process and related activities in Serbia

IPA support for the PAR process in Serbia (2014–2015)¹³⁵:
<p>IPA 2014, Action 1, PAR, €2.5m – to improve the organizational and functional structures of the public administration system and provide the basis for sustainability of the restructuring efforts system and provide the basis for sustainability of the restructuring efforts themselves; Expected results: Rightsizing exercise implemented in several sub-systems of the PA as a complementary measure to the substantial downsizing effort across the PA; Change of management and communications strategy implemented as a complementary measure to the rightsizing exercise.</p> <p>Key Performance Indicators: WGI for Serbia; Targeted savings achieved within the selected sectors; PAR AP implemented in accordance with the planned timeframe and including relevant indicators.</p>
<p>IPA 2014, Action 2 – Support for local self-government – €4.45m – Expected results: Full property inventory and database established as a support to the registration and management of public property of local self-governments units; An efficient support system established for application of the programme budgeting methodology by local self-governments.</p>
<p>IPA 2015, Sector reform contract for PAR – budget support for PAR and PFM – €80m</p> <p>PAR AP areas of implementations:</p> <ol style="list-style-type: none"> 1. Improvement in the organizational and functional subsystems of public administration; 2. Establishment of a harmonized public service system based on merit and improvement of HR management; 3. Improvement in PFM and public procurement; 4. Increase in legal security and improvement of the business environment and the quality of public services; 5. Increase in citizen participation, transparency, promotion of ethical standards and responsibility in the performance of public administration. <p>SECTOR BUDGET SUPPORT specific objectives:</p> <ol style="list-style-type: none"> 1. To improve the accountability of the administration through restructuring of central government administration 2. To improve policy development and coordination, including increased participation of citizens and civil society organizations in the policy-making process. 3. To contribute to professionalization and de-politicization in human resources management 4. To improve service delivery and administrative simplification by improving the quality of the inspection services 5. To improve management of public finances (PFM), especially to contribute to more transparent budgeting process (MTEF), to improve internal control (PIFIC) <p>Sector budget support is for objectives 1, 2, 3, 4 and item 5 of the PAR AP areas;</p>
<p>The World Bank loan “Modernization and Optimization of Public Administration Programme”¹³⁷ was signed in May 2016 (US\$75m, or €69m) and will be focused on objectives 2 and 3, as well as procurement strategy and PFM;</p>
<p>IPA instrument – EU integration facility – IPA 2014 – €24.3m, IPA 2015 – €11m</p>
<p>Current SIGMA support for Serbia¹³⁷:</p> <ul style="list-style-type: none"> • The Ministry of Public Administration and Local Self Government to finalize the new Law on General Administrative Procedures (completed, GAPA was adopted on 29 February 2016) • The Ministry of Finance to draft the new PFM Reform Programme (completed, adopted in 2015)

¹³⁵ Annual Country Action Programme for Serbia for 2015 and 2016 (DG NEAR, http://ec.europa.eu/enlargement/instruments/funding-by-country/serbia/index_en.htm).

¹³⁶ <http://documents.worldbank.org/curated/en/2016/05/26354542/serbia-modernization-optimization-public-administration-program-technical-assessment>.

¹³⁷ <http://www.sigmaxweb.org/countries/serbia-sigma.htm> (August 2016).

3.6. Kosovo

In its 2015 Report, the European Commission estimated that Kosovo has some level of preparation in the reform of its public administration. Good progress was made on developing a comprehensive strategic framework for public administration reform (PAR) and on improving legislation. For the first time, PAR has received high-level political support and commitment. Given Kosovo's ambitious reform agenda, continued strong political commitment is essential to ensure implementation of reforms.

Responsible institutions:

- **The Ministry of Public Administration (MPA)**¹³⁸ – the lead institution assigned to co-ordinate and manage PAR policy;¹³⁹
- **The Information Society Agency** – in charge of co-ordinating activities in the field of e-governance in all institutions;¹⁴⁰
- **The Ministry of Finance**¹⁴¹ – in charge of public financial management (PFM);¹⁴²
- **Ministry of European Integration (MEI)** – in charge of harmonizing policies, aligning its laws with those of the EU, and maintaining widely-engaging and continuous dialogue, while embracing high standards of excellence, knowledge, integrity, accountability and transparency.¹⁴³
- **The Office of the Prime Minister (OPM)** – in charge of policy development and co-ordination, and legislation.¹⁴⁴ The Legal Office (LO) is an organizational unit within the Office of the Prime Minister, which coordinates the process of drafting legislation and ensures quality and legislation of drafting standards.
- **The Kosovo Institute for Public Administration (KIPA)** – in charge of implementation of policies and strategies for training, vocational training and capacity building in the Civil Service.¹⁴⁵
- Other public administration authorities/services/bodies – in accordance with their competences.
- Coordination mechanism for PAR – the **Council of Ministers for Public Administration Reform (CMPAR)** is the main structure at the political/ministerial level responsible for strategic management of reform, monitoring its implementation, it serves as a forum for discussing and analysing the progress, and proposes necessary changes for future reforms; the **Coordination Group for Modernization of Public Administration** is an inter-institutional administrative structure led by the General Secretary of the MPA which is tasked with supervising and coordinating the process in accordance with the objectives of this Strategy and the Implementation Plan.¹⁴⁶

PAR strategic documents and analysis:

- Strategy of Modernization of the Public Administration 2015–2020
- Concept for system monitoring, December 2015
- Action Plan for implementation of the Strategy 2015–2017
- Passport indicators for measuring indicators for the modernization of Kosovo Public Administration Reform 2015–2020 (OECD/SIGMA, 27 November 2015)

138 <http://map.rks-gov.net/Departments.aspx?lang=en-US>.

139 Regulation No. 02/2011 on the Areas of Administrative Responsibility of the Office of the Prime Minister and Ministries, Appendix 11.

140 Law No. 04/L-145 on Information Society Government bodies, Article 6.

141 <http://mf.rks-gov.net/page.aspx?id=2,1>.

142 Government Decision No 09/13 On the organization and functioning of structures for the implementation of strategic documents and Public Administration Reform, 2015.

143 <http://www.mei-ks.net/en/mission>.

144 <http://www.kryeministri-ks.net/?page=2,1>.

145 Law No. 04/L-221 on Kosovo Institute for Public Administration, Article 2.

146 Strategy of Modernization of public administration 2015–2020, p.39.

Related strategic documents and analysis:

- Strategy for the reform of the Public Finance Management for 2016–2020, 29 June 2016
- The central planning of the Government Programme 2015–2018 and the Government's Annual Work Plan for 2015¹⁴⁷ set priorities in the field of PAR in the section on "Principles of Public Administration"
- Better Regulation Strategy 2014–2020¹⁴⁸
- Electronic Governance Strategy 2009–2015¹⁴⁹
- Public Internal Financial Control Strategy 2015–2019¹⁵⁰

Legislation:

- Law No. 03/L-048 on Public Financial Management and Accountability
- Law No. 04/L-042 on Public Procurement in Republic of Kosovo
- Law No. 03/L-049 on Local Government Finance
- Law No. 03/L-149 on Civil Service
- Law No. 03/L-212 on Work
- Law No. 2008/03-L017 on Amending the Law No.2002/9 on the Labour Inspectorate
- Law No. 04 / L -221 On Kosovo Institute for Public Administration,
- Regulation No. 02/2016 (GRK) for Coordination Between the Agency of the Information Society and Organizational Structure/Officials of Information Technology and Communication in Institutions
- Regulation No. 04/2015 (GRK) on Conduct Code of Civil Service in the Republic of Kosovo,
- MPA Regulation No. 02/2015 for Standard Hardware and Software
- Regulation (MPA) NR. 01/2015 Classification for Unique Signs Documents and Their Terms of Conservation
- Regulation No. 02-2014 on Personnel Planning in CS
- Regulation No. 01-2014 on Subsidy Distribution for Non-Governmental Organizations
- Regulation No. 01/2014 for the Allocation of Subsidies to Non-Governmental Organizations
- Regulation No. 01-2013 on Distribution of Subsidies for Non-Governmental Organizations
- Regulation No. 20/2012 on Volunteer Work for Retired Civil Servants
- Regulation No. 21/2012 for Career Advancement in the Civil Service
- Regulation No. 33/2012 in Addition to Salary and Allowances of Other Civil Servants
- Regulation No. 19/2012 on Work Performance Assessment of Civil Servants
- Regulation No. 09/2012 on Standards of Internal Organization and E1 Systematization of Jobs in the State Administration
- Regulation No. 08/2012 on Civil Servant Redundancies
- Regulation No. 05/2012 for Classification of Jobs in the Civil Service
- Regulation No. 02/2012 on the Establishment and Functioning of the Committee on Appeals to NGOs
- Regulation No. 06/2011 On Vacation of Civil Servants
- Regulation No. 04/2011 for Disciplinary Proceedings in Civil Service
- Regulation No. 05/2011 for the Selection Procedures and Complaints Contexts
- Regulation No. 02/2011 on Work Examinations of Civil Servants
- Regulation No. 03/2011 on Central Registry Files and Civil Servants
- Regulation No. 01/2011 on the Interruption, Suspension and Ending of Employment Relationship in Civil Service
- Regulation No. 06/2010 on the Transfer of Civil Servants
- Regulation No. 07/2010 on the Appointment of Civil Servants
- Rules and procedures No. 02/2010 for civil service recruitment

147 Work Plan of the Government for 2015, Office of the Prime Minister.

148 Better Regulation Reform Strategy 2014–2020, Regulatory Impact Assessment, Government Decision No. 03/189, May 2014.

149 Electronic Governance Reform Strategy 2009–2015, Ministry of Public Services Department of Information Technology (December 2008).

150 Government Decision No. 07/23 on the Approval of the Public Internal Financial Control Strategy 2015–2019, 15 April 2015.

- Law No. 03/L-147 on Salaries of Civil Servants
- Law No. 03/L-189 on State Administration of the Republic of Kosovo
- Regulation no. 09/2012 on standards of internal organization and systematization of jobs in the state administration
- Regulation No. 02/2011 for fields of administrative responsibility of the Office of the Prime Minister and Ministries
- Regulation No. 07/2011 amending and supplementing Regulation No. 02/2011 for fields of administrative responsibility of the Office of the Prime Minister and Ministries
- Regulation No. 03/2013 on internal organization and systematization of the work of the Ministry of Local Government
- Law No. 04/L-145 for Local Information Society,
- Law No. 03/L-215 on Public Access to Documents
- Law No. 03/L-202 on Administrative Disputes
- Law No. 03/L-054 on Stamps of the Republic of Kosovo Institutions
- Law No. 02/L-28 for Administrative Procedure Regulation
- Law No. 03/L-040 On Local Government

Recommendation for PAR in the 2015 EC report:

In order to achieve the key priority on public administration reform in the coming year Kosovo should in particular:

- Effectively monitor implementation of the PAR strategic framework under the umbrella of the wider development strategy, ensuring a clear link between PAR and economic development
- Improve accountability through a thorough review of all agencies and improve access to administrative justice by addressing the backlog of administrative cases
- Adopt a comprehensive PFM reform programme (*adopted on June 2016*)

Table 17. Support for the PAR process and related activities in Kosovo

IPA support for the PAR process in Kosovo (2014–2015) ¹⁵¹ :
<p>IPA 2014, Action 2 – Support for the PAR process €3.5m – to contribute to the establishment of an effective and efficient public administration capable of implementing SAA obligations and improved service delivery for citizens and businesses.</p> <p>Expected results: the strengthened technical and administrative capacity of the Kosovo public administration to effectively implement the SAA; a public administration that is more effective because of improved human resource management; adequate capacity to ensure the proper implementation of the General Administrative Procedure Law; enhanced visibility of Kosovo's EU approximation agenda.</p> <p>Key indicators include: 1) The number of policies harmonized and prioritized in compliance with SAA obligations; 2) The percentage of Kosovo's citizens aware of Kosovo's EU approximation agenda; 3) Progress made on administrative reforms (qualitative assessment, Progress Report).</p>
<p>IPA instrument – EU approximation facility – IPA 2014 – €8m, IPA 2015 – €5m; Support for meeting criteria for EU approximation and capacity building of Kosovo's administration¹⁵²:</p>

¹⁵¹ Annual Country Action Programme for Kosovo for 2015 and 2014 (DG NEAR, http://ec.europa.eu/enlargement/instruments/funding-by-country/kosovo/index_en.htm).

¹⁵² The main objective of the action is to support Kosovo in creating an effective, efficient and transparent public administration at all levels which ensures sustained socio-economic development, strengthens sectoral approximation and constructively engages in regional cooperation. In addition, the facility aims to strengthen the technical and administrative capacity of the Kosovo administration in relation to the European approximation process and to support the effective and efficient management and absorption of IPA funds. The expected results include: meeting specific and urgent needs identified in the course of the EU approximation process, management, monitoring and evaluation of IPA actions, building capacity in Kosovo's Ministry of European Integration and relevant line ministries in relation to Kosovo's EU approximation efforts and EU reform agenda and mainstreaming gender in laws, policies, sectoral documents, IPA action documents and the IPA programmes (Annual Country Action Programme for Kosovo for 2015).

Current SIGMA support for Kosovo¹⁵³:

- The Office of the Prime Minister to increase its policy analysis capacity and improve the quality of policy analysis done by the ministries in the early phases of policy development (when developing concept papers that precede legislation and strategies);
- The Ministry of Public Administration to:
 - Support efficient and inclusive co-ordination of the implementation of the Public Administration Modernization Strategy 2015–2020, including monitoring and reporting;
 - Improve the Law on Civil Service to remedy shortcomings which have occurred during its implementation;
 - Provide support for the drafting of the new Law on Administrative Disputes;
- The Ministry of Finance to set reform priorities for public finance management through developing the Public Finance Management Strategy for 2015–2020 (*completed in 2016*);
- The Assembly and the Ministry of Public Administration on the final version of the draft Law on General Administrative Procedures.

3.7. EU Accession negotiations and IPA II support for PAR and PFM

At the beginning of the IPA II programming process, the sectors for IPA II support are identified and explained in **Indicative Country Strategy Papers for all IPA countries**. For a sector-based approach, each beneficiary country was obliged to develop an **institutional framework** for IPA II action programmes, which is also part of capacity-building development and the PAR process (horizontal issue).

The average national IPA II support for WB countries per year is 0.7%¹⁵⁴ of GDP for the period 2014–2020.

IPA II support is planned through a **sectoral approach** depending on the national priorities of each country individually. These priorities are linked to the priorities of democratic and economic reforms, as well as the priorities of the current stage of the European integration process.

Most of the IPA II national support refers to the **reforms necessary for EU membership** in two sectors (Democracy and Governance; and the Rule of Law and Fundamental Rights) – 38%¹⁵⁵. Almost half of the total support (49%) goes on this support in Albania. This sector includes PAR and PFM support.

¹⁵³ <http://www.sigmaweb.org/countries/kosovo-sigma.htm>, August 2016.

¹⁵⁴ IPA II support is 1.6% of GDP in Kosovo, 1.1% of GDP in Montenegro and Macedonia, 0.9% of GDP in Albania and 0.6% of GDP in Serbia, according to the GDP data for 2014. This indicator is not available for Bosnia and Herzegovina since IPA II is not planned for the whole period of MFF 2014–2020.

¹⁵⁵ about 36% of the total support has been committed to socio-economic and regional development. The highest level is in Macedonia, where it is about 45% of the total national support. For employment, social policies, education, promotion of gender equality and human resources development, the average support is 12%, while the highest support, in the structure, is in Bosnia and Herzegovina (23% of the amount committed for the period 2014–2017). About 14% of the total support is committed to agriculture and rural development through the IPA II national components. The highest relative support for the agricultural sector is in Montenegro (19% of the total national support).

Table 18. IPA II support per sector and beneficiary in the Western Balkan region

SECTOR	AL	BA	MK	ME	RS	KS	WB 6	
	%	%	%	%	%	%	TOTAL	%
	2014–2020	2014–2017	2014–2020	2014–2020	2014–2020	2014–2020	2014–2020	
a. Reforms in preparation for EU membership	49	39	31	37	36	37	1,469.2	38
Sector 1 - Democracy and Governance (PAR and PFM included)	34	19	19	17	18	17	812.7	21
Sector 2 - RoL and Fundamental Rights	15	20	12	19	18	20	656.5	17
b. Socio-economic and regional development (Sector 3 Environment and Climate Action, Sector 4 - Transport, Sector 5 Energy, Sector 6 Competitiveness and Innovation)	26	38	45	34	37	36	1,421.3	36
c. Employment, social policies, education, promotion of gender equality, and human resource development (Sector 7 - Education, Employment and Social Policies)	11	23	8	10	13	15	472.6	12
d. Agriculture and rural development (Sector 8)	14		16	19	14	12	540.4	14
Total IPA support (€ millions)	694.5	165.8	664.2	270.6	1508.0	645.5	3,903.6	100%

Source: IPA II Multi-country indicative strategy paper 2014–2020 and Country strategy papers for IPA beneficiaries, for AL, BA, MK, ME, RS and KS, 30 June 2014.

The detailed support for PAR and PFM, including direct budget support plans in the period 2014–2015 for each country is explained in the previous part of the study. These actions confirm the importance of these reform processes for the enlargement countries, especially through direct budget support as a financial assistance method.

Budget support is one of the other types of financing available under IPA II, which involves the following: dialogue on implementation of the beneficiary country's policies and reforms; financial transfers to the beneficiary country's national Treasury account; and performance assessment and capacity development, based on partnership and mutual accountability. Capacity development is a key part of the budget support modality, as it supports **effective and efficient organizations, enhances the government's capacity** to implement policies and deliver services to the final beneficiaries, and **promotes the active engagement** of all domestic stakeholders. The capacity development needs are assessed systematically and should be provided based on demand, ownership and commitment, they should be linked to results and be provided through harmonized and aligned approaches. Budget support is delivered through the **Sector Reform Contract**.

Budget support programmes, as a method of financial assistance, are subject to **four eligibility criteria**: A stable macro-economic framework; Sound public financial management; Transparency and oversight of the budget; and National/sectoral policies and reforms.

Budget support should be seen in the context of moving to a “Sector-Based Approach” under IPA II, i.e. focusing on support for **sectoral reform strategies** rather than on financing individual projects¹⁵⁶. Budget support would thus be provided as “sectoral budget support” to co-finance national sectoral reform agendas.

The main potential benefits for beneficiaries are: An increased impact of EU assistance by providing an incentive to implement reforms at the level of sectors, rather than implementing isolated projects; Improved capacity building, as the beneficiary needs to meet certain conditions to qualify for budget support, in particular a stable macro-economic framework and sound public financial management; and a clearer link between the political agenda, which requires sectoral reforms and the financial assistance to support such reforms¹⁵⁷. Bearing in mind all the above, PAR and PFM strategies are on the priority list for direct budget support for IPA beneficiaries.

Table 19. Number of sectors proposed for direct budget support 2014–2015

AL	BA	MK	ME	RS	KS
PFM (2014) PAR (2015) Employment and skills (2015)	PAR is a potential sector for direct budget support	PFM is a potential sector for direct budget support	IBM strategy (2015); PAR is a potential sector for direct budget support	PAR (including PFM) in IPA 2015	PAR should be a potential sector following the fulfilment of eligibility criteria

For instance, the **PAR sector reform contract in Serbia** (IPA 2015) is focused on supporting implementation of the parts of the reform agenda identified in the PAR action plan and in the Public Financial Management (PFM) reform programme. The envisaged action amounts EUR 80 million and it includes a sector budget support component (EUR 70 million - in tranches over the period 2016-2019), and complementary support (EUR 10 million). The support is targeted at the achievement of the following key results: (1) Improved organization and functions of the central government administration¹⁵⁸; (2) Improved public policy development and coordination; (3) Increased participation of citizens and civil society organizations in the policy-making process; (4) Improved merit-based human resources management system within the public service (contribute to professionalization and de-politicization in the human resources management); (5) Reduced administrative burden to citizens and businesses through support to the reform of the inspection services; and (6) Improved management of public finances, especially to contribute to more transparent budgeting process, to improve internal control¹⁵⁹.

Table 20. PAR and PFM in the context of accession negotiation and EU support¹⁶⁰

IPA SECTORS	NEGOTIATING CHAPTERS	FOR ALL CHAPTERS
Democracy and Governance	Chapters: 5, 16, 17, 18, 29, 32, 33, political criteria	
Rule of law and fundamental rights	Chapters: 23, 24, 10	

¹⁵⁶ However, while under the IPA I budget, support was limited to “exceptional cases”, the rules for IPA II allow for broader use of budget support, provided the eligibility criteria are fulfilled.

¹⁵⁷ IPA 2014–2020 – A Quick Guide to IPA II Programming, 4 March 2014, pp.56–58.

¹⁵⁸ Including restructuring; “To improve accountability of administration through restructuring of central government administration”; (following support for PAR in IPA 2014 – the so-called “**Rightsizing**” initiative).

¹⁵⁹ Sector reform contract for PAR, Serbia, 2015 (http://ec.europa.eu/enlargement/pdf/serbia/ipa/2015/pf_04_sector_reform_contract_for_public_administration_reform.pdf).

¹⁶⁰ Modified according to “A New Approach to Sector Policy Co-ordination”, Secretariat for European Affairs, Government of Republic of Macedonia, March 2016 (http://www.sep.gov.mk/data/file/Dokumenti/07_04%202016%20-%20Sector%20co-ordination%20FWC.docx).

Environment	Chapters: 15, 27, 28, 15	<p>PAR and capacity building for adoption of the EU standards in all areas of policies</p> <p>PFM especially for C5, C16, C17, C29 and C32</p>
Transport	Chapters: 14, 21	
Competitiveness and innovation	Chapters: 1, 3, 4, 6, 7, 8, 9, 20, 25, 30, economic criteria	
Education, employment, social policies	Chapters: 2, 19, 26	
Agriculture and rural development	Chapters: 11, 12, 13	
Regional and territorial co-operation	Chapter 22	
Not covered by IPA	Chapters: 31, 34, 35	

A sectoral reform contract for PFM in Albania (IPA 2015) is proposed in order to ensure fiscal discipline, more prudent financial management towards efficient public service delivery. Some of the expected results are: realistic formulation of the medium-term budget programme; enhanced controls on multi-year financial commitments; strengthened fiscal cash registration; a strengthened public procurement review function; effective internal control system including functional anti-fraud and anti-corruption mechanisms; strengthened oversight of the budget by the parliament and the external audit institution; greater transparency of the budgetary process *vis-à-vis* civil society organizations and public opinion. With a solid PFM system, Albania will be able to properly face EU macro-economic surveillance mechanisms and benefit from EU budget support in other key sectors relevant for the pre-accession agenda during the 2014–2020 financial framework¹⁶¹.

In addition, PAR is no specific negotiation chapter but nevertheless has to be seen as **horizontal priority of a successful accession process** (see Table 20). Transparency, accountability, effectiveness and quality of the public administration and services need to be increased also among enlargement countries in the Western Balkan region. This interdependence is presented in Table 21.

If IPA II is to provide an efficient support to the integration process, there must be a **clear link between the IPA sectors and the NPAA chapters/SAA/negotiations structure**. Special attention should be given to a public administration reform processes in the ReSPA beneficiaries through both the national and regional component.

The level of coherence between IPA programming and accession negotiation needs (as well as monitoring of the SAA implementation needs) should be improved.

4. Size, costs and effects of public administration: Western Balkans

Addressing common reform challenges and country responses to these challenges, the focus of regional analysis in this chapter is on the **size, costs and effectiveness of the PARs among the ReSPA beneficiaries**, based on similar set of indicators as in the chapter related to the EU MS.

The main economic data is collected based on official statistical data, the data of the ministries of finance, central bank data, employment offices, ministries responsible for PAR

¹⁶¹ IPA II 2014–2020, Sector reform contract for public finance management in Albania, IPA 2015.

reform and collected data through the questionnaire shared with ReSPA contacts in each PAR structure in the region, for 2014 and 2015.

Table 21. Employment and Compensation for Employment in the WB region 2014–2015

ReSPA beneficiaries	Year	Employees in the General Government (GG)		Compensation to employment in GG		Registered employment	
		Employees	Index 2015/14	€ millions	Index 2015/14	Employment	Index 2015/14
AL	2014	129,065	0.0%	512	1.3%	925,339	5.1%
	2015	129,092		519		972,621	
BA	2014	208,069	1.2%	1,670	0.9%	707,725	1.1%
	2015	210,659		1,684		715,425	
BA - level	2014	22,393	1.2%	318	6.4%		
	2015	22,672		338			
FBH	2014	119,552	1.3%	846	-1.6%	443,587	1.5%
	2015	121,130		833		450,121	
Rep. Srpska	2014	62,544	1.5%	472	1.8%	241,544	1.8%
	2015	63,502		480		245,975	
Brcko District	2014	3,580	-6.3%	34	-3.1%	16,332	1.1%
	2015	3,355		33		16,506	
MK	2014	110,742	-1.0%	375	7.0%	501,788	3.4%
	2015	109,628		401		519,031	
ME	2014	45,196	-0.2%	387	-1.3%	171,158	0.8%
	2015	45,104		382		172,517	
RS	2014	514,573	-2.8%	3,902	-11.0%	1,845,494	8.1%
	2015	500,061		3,472		1,995,883	
KS	2014	81.618	0.2%	490	3.0%	325,700	9.1%
	2015	81.777		504		355,300	
REGION	2014	1.089.263	-1.2%	7,335	-5.1%	4,477,204	5.7%
	2015	1.076.321		6,962		4,730,777	

Sources:

- Data on registered employment from the Statistical offices (for KS for 2015 from ERP 2015, p.58162)
- Data on Compensation for Employment from the ministries of finance/budget execution for AL, MK, ME, RS and KS. Data on Compensation for Employment for BH and all levels of government – from the Central Bank database
- – Panorama Necto¹⁶³.
- Data on number of employees in the general government: AL – statistical office; BA – for BH¹⁶⁴, for

162 <http://mf.rks-gov.net/desk/inc/media/1ACBDA9F-15F9-4D59-9223-129F4CBE65CC.pdf>.

163 The Central bank database Panorama Necto - http://statistics.cbbh.ba:4444/Panorama/novaview/SimpleLogin_en.aspx.

164 Izveštaj o izvršenju Budžeta institucija BiH i međunarodnih obaveza BiH za 2014. godinu http://www.mft.gov.ba/bos/index.php?option=com_content&view=article&id=145&Itemid=95 i Zakon o budžetu institucija BiH za 2016.godinu, Sl. glasnik BiH br. 101/15 (employment on 31 December.).

FBH¹⁶⁵, for the Republic of Srpska¹⁶⁶ and District of Brčko¹⁶⁷; MK – the Ministry of Information Society and Administration's statement¹⁶⁸ and available data in the Statistical office – Statistical Yearbook 2016; ME – Ministry of Finance; RS – Government Decision on the maximum number of employees in state administration bodies, public agencies and organizations for mandatory social insurance¹⁶⁹, <http://www.pracenjereformi.info/> and information from media¹⁷⁰ related to the mentioned government decision; and for KS – Budget Execution for 2015, pp.83-84 (Annexe 12);

On an aggregate level, the **number of employees in ministries, different services and public institutions** reduced in the period 2014–2015. The biggest cuts were in Serbia (-2.8) and Macedonia (-1), and only symbolically in Montenegro (-0.2), while this number was positive in Bosnia and Herzegovina and Kosovo. Albania kept almost the same level of employees.

In the same period overall registered employment increased by 5.7% (thanks to growth in Kosovo of 9.1%, Serbia 8.1% and Albania 5.1%).

Following trends in overall employment, **change of the percentage of employment in the abovementioned sectors in overall employment** is relatively high in Serbia, Kosovo and Macedonia.

Table 22. Inputs for calculation of relative indicators for the Western Balkan region (2015)

INDICATORS 2015	AL	BA	MK	ME	RS	KS	WB6
Employees in GG	129,092	210,659	109,628	45,104	500,061	81,777	1,076,321
Compensation to employment in GG (€ millions)	519	1,684	401	382	3,472	504	6,962
Population, 000s, est.	2,892	3,819	2,069	622	7,095	1,805	18,303
Registered employment	972,621	715,425	519,031	172,517	1,995,883	355,300	4,730,777
GDP (€ millions)	10,322.0	14,592.0	9,092.0	3,625.0	32,907.7	5,772.0	76,714.0

The same relative indicator as for the EU member states¹⁷¹, which are relevant for comparative analysis on PAR optimization processes, can be calculated for the ReSPA beneficiaries based on inputs – the data presented in Table 21 and Table 22. The GDP and WGI indicators serve for the same purpose.

In the following table HR, SI and EE are included for comparative analysis, as well as average of indicators for EU28 and EU13 (new Member States).

165 Persons in employment by sections of NACE rev.2, for Sections: O - Public administration and defence; compulsory social security, P – Education and H - Human health and social work activities; Statement of the Statistical Office for March-September 2014 and 2015 data; http://www.bhas.ba/saopstenja/2014/ZAP_2014M03_001_01_bos.pdf.

166 Persons in employment by sections of NACE rev.2, for Sections: O - Public administration and defence; compulsory social security, P – Education and Q - Human health and social work activities; Statement of the Statistical Office (calculation of annual average based on data published in March and September 2014 and 2015, Statements No. 92/15, 314/15 and 179/16; <http://www.rzs.rs.ba/front/category/272/>).

167 Annual report of the Employment Institute of Brčko District of BH, 1 July 2016, p.9.

168 <http://www.mio.gov.mk/?q=node/4137>.

169 OG RS Nos. 69/14, 32/15, 39/15, 50/15.

170 <http://www.novosti.rs/vesti/naslovna/ekonomija/aktuelno.239.html:580677-Otkazi-za-2000-polica-jaca>.

171 Table 4. How to measure rightsizing and quality of public administration: selected indicators for the EU member states.

Table 23. Selected relative indicators for PAR optimization in the Western Balkan region (2015)

RELATIVE INDICATORS	AL	BA	MK	ME	RS	KS	WB6	EU 28	HR	SI	EE	EU13
Employees in the General government (GG) as % of total registered employment	13.3	29.4	21.1	26.1	25.1	23.0	22.8	23.60	21.95	18.9	23.1	20.3
Employees in GG per 100,000 inhabitants	4,463	5,516	5,298	7,250	7,048	4,531	5,881	10,713	8,301	8,670	10,905	9,029
Compensation for employment in GG ¹⁷² as % of GDP	5.0	11.5	4.4	10.6	10.5	8.7	9.1	10.14	11.41	11.08	11.34	10.35
WGI (2014)	2.4	2.0	2.7	2.8	2.6	2.2	2.4	3.6	3.2	3.5	3.5	3.3
GDP, PPS (EU=100)	30	29	37	41	36	n/a		100	58	83	74	71

From Table 23, we can conclude the following:

- Regarding the **number of employed person in the general government** (or in sections O, P and Q of NACE2.rev classification¹⁷³) **as a percentage of total registered employment**, the highest level is in BA – 29.4% and ME (26.1%), followed by RS, KS and MK. This relative indicator in AL is very low in comparison with the regional average, at only 13.3%. It is interesting that the indicator for EU13 is lower than the EU28 and WB6 indicators. This data demands the full attention of governments regarding optimization policy, i.e. **rightsizing initiatives** (excluding AL).
- The “army” of 1.07 million of employees in public administration in the WB region should have efficiently delivered a different public service to their 18.3 million inhabitants in 2015. In comparison with the EU, the **average number of employees in the general government per 100,000 inhabitants in the region is 5,881**, while this indicator in the EU is 10,713 (82% more) and for EU13 (“new” Member states) it is 9,029 (53% more). This indicator is highest in ME (7,250) and RS (7,048), while the lowest indicator is for AL (4,463) and KS (4,531). In EE, this indicator is higher than the EU average. Hence, bearing in mind the lower level of GDP and GG budget capacities, the public administrations in the region should take more effort regarding the quality of public services towards citizens and business – the **efficiency and effectiveness initiative**.

¹⁷² Gross salaries from consolidated budget

¹⁷³ For some countries, only available data are used from NACE.rev2 classification as scope of Sections O, P and Q. The same explanation is used for the EU comparative analysis in Chapter 1 of this study.

Figure 2. Compensation for employment in general government as a percentage of GDP

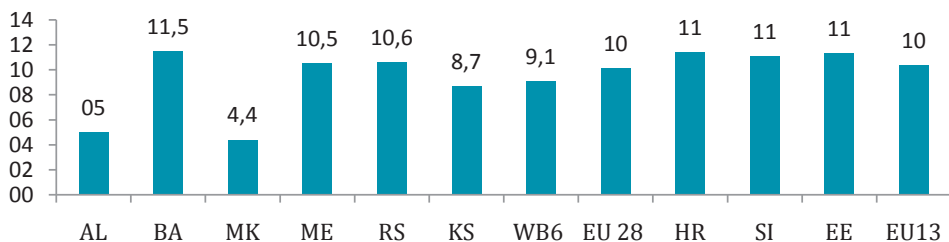


Figure 3. GDP per capita in PPS (EU=100)

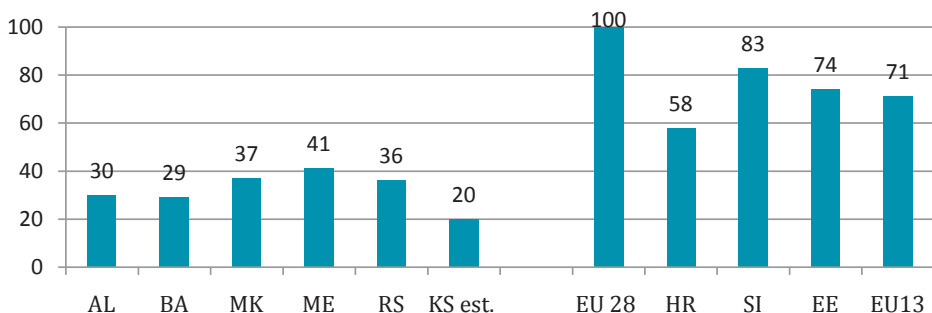
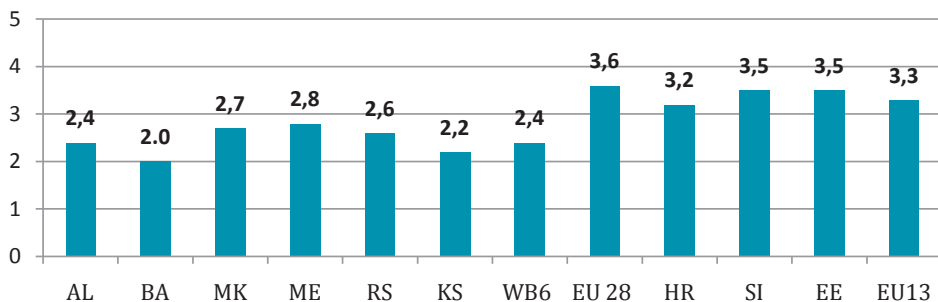


Figure 4. Government effectiveness indicators WB6 , EU and selected MS



- **Compensation for employment of general government as a percentage of GDP** varies among the ReSPA beneficiaries (average 9.1%). The highest levels are in BA, ME and RS, while the smallest is in MK and AL. KS is also below the regional average. Since the EU28 is at 10.1% with a plan for the gradual reduction of this indicator, BA, ME and RS should follow that trend and harmonize the level of this indicator with the EU 28 and EU13 average (in line with the GDP level of their economies). However, HR, SI and EE have not planned to reduce this indicator to the EU28 level by 2017 (they will keep it at 11.3–11.5%).
- Compensation for employment of GG as a percentage of GDP should be more in line with **capacities of real economy measured by GDP pc in PPS**, bearing in mind that the EU13 average is 71, HR, SI and EE's levels are 58, 83 and 74 respectively.
- Regarding the **WGI indicator**, the ReSPA beneficiaries are rather lower than the EU average and selected Member States.

This analysis shows the same conclusion as for the EU Member States. There are no direct correlations between (smaller) government size and (higher) spending efficiency, or expenditure size and the indicator of government quality. A complex structure of different political, legal, economic and institutional factors that impact the final result of PA effectiveness exists in each country of the Western Balkan region.

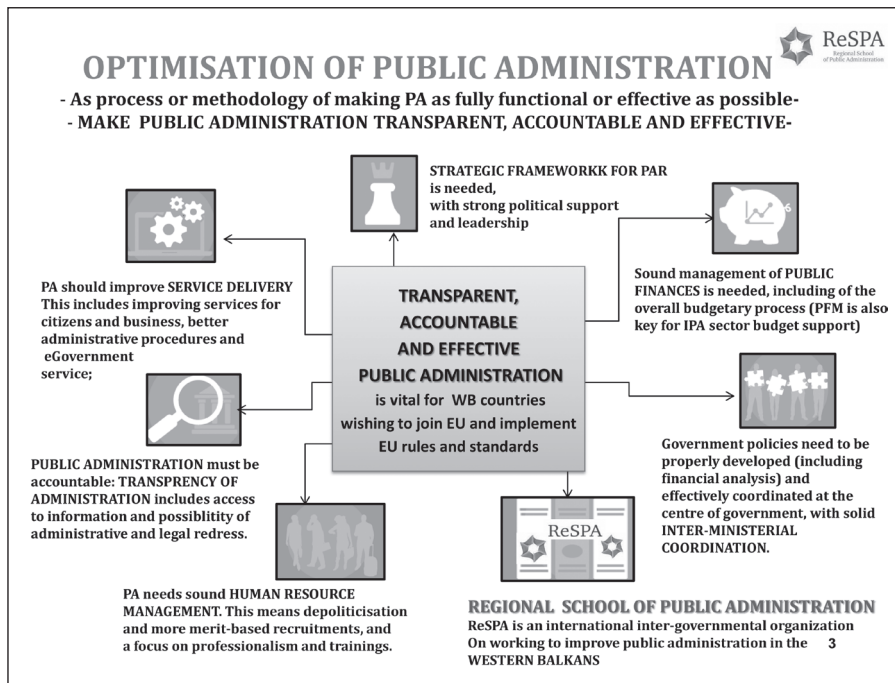
III OVERVIEW OF OPTIMIZATION POLICIES AND MECHANISMS IN THE WESTERN BALKAN REGION

The recent financial and economic crisis in Europe has pressed many governments to undertake various measures regarding optimization of public administrations in order to make them more efficient and meet citizens' expectations. This same task is the challenge for the Western Balkan region.

1. Optimization policies – areas of action

In 2014, the European Commission defined the scope of public administration reform as covering six core areas: 1. Strategic framework of PAR; 2. Policy development and coordination; 3. Public service and human resource management; 5. Service delivery; and 6. Public financial management. These areas are integrated in the figure below:

Figure 5. Core areas of the Public Administration Reform for the Enlargement countries (2014)¹⁷⁴



¹⁷⁴ From the EC infographic on public administration reform for the countries of enlargement, 2014, (http://ec.europa.eu/enlargement/pdf/publication/2014/20141007-public_administration_en.pdf).

The Commission structured its work on PAR with the enlargement countries around these reform areas¹⁷⁵. In order to better integrate public administration reform into the enlargement process, '**Special groups on PAR**' were established with all ReSPA beneficiaries.

In the same year, The **OECD/SIGMA**, in close co-operation with the European Commission, defined the **Principles of Public Administration** with detailed requirements for a well-functioning public administration in each of these core areas. Although general good governance criteria are universal, the OECD/SIGMA has developed more tailored principles for **EU enlargement countries** and more generic principles suited to a wider range of countries, including those working with the EU under the European Neighbourhood Policy (**ENP**).¹⁷⁶ 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 the 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 are complemented by a **monitoring framework**, which makes it possible to follow progress made over time in developing the public administration. The monitoring framework features both **quantitative**¹⁷⁷ (**103**) and **qualitative indicators** (**52**)¹⁷⁸; it focuses on the implementation of reforms and subsequent outcomes, i.e. how the administration performs in practice.

Based on the documents, information and data on the countries' implemented reforms, OECD/SIGMA published on **April 2015 six reports for the Western Balkans countries (ReSPA beneficiaries)** including a baseline measurement with indicators for 2014 and specific short-term and medium-term recommendations regarding policy areas and PAR principles.

These reports will serve as the **basis** for the medium-term review and monitoring of 2020 targets in public administration reform process, i.e. related optimization processes among ReSPA beneficiaries (enlargement countries).

When it comes to **the PAR optimization process**, most national reform initiatives can be classified around the following key aspects:

1. **Budgetary measures** - are **part of the overall PFM process**. These include measures such as reducing the budget, freezing of salaries in public administration, development of a single salary policy for General Government, i.e. payment systems, etc. The pre-conditions for these measures are functional analysis and cost-effectiveness analysis.
2. **Measures related to human resource management** are integrated in the process of development of the **Human Resource Plan**, and its implementation, monitoring and evaluation. The HR plan usually includes different rightsizing measures, such as the following: redundancies; early retirement programmes; limit on the number of employees in each institution; establishment and maintenance of the internal labour market records; flexible labour mobility and relocation; career structure; changes in systematization; and job descriptions according to the HR plan. The HR plan is a precondition, i.e. an essential instrument for the optimization process.
3. **Measures related to changes in the context of organizational efficiency and effectiveness** - are mostly **soft oriented** (development of more efficient procedural

175 EC Enlargement Strategy and Main Challenges 2014–2015, Brussels, 8 October 2014 COM(2014) 700 fin, p.6.

176 OECD/SIGMA Principles of Public Administration, 2014, <http://www.sigmaxweb.org/publications/principles-public-administration.htm>.

177 Quantitative indicators are measurable according to developed methodology (The Principles of Public Administration, Baseline Measurement, Methodological Annex to the Indicators, OECD/SIGMA, April 2014).

178 Qualitative indicators measure the maturity of the relevant public administration components on a scale of 1 (the lowest result) to 5 (the highest result), analysing the progress a country is making in applying the principles.

requirements for regulation within the government and strengthening of controls within the administration – through ICT initiatives as the most important aspect of the optimization process and an outstanding driver of change; development of an ‘open government’ and introduction of e-government, with enhanced practice of public consultations, etc.). With solid PFM and clear PAR presented through the HR plan, these measures include continuous monitoring and evaluation of organizational reforms.

4. **Measures oriented towards reforming the decision-making process** – are developed in order to improve efficiency, accountability and expertise in decision-making power within the government. Also, the improvement of the mechanisms of **strategic planning and coordination** is an important contribution to the optimization of public administration. Within these measures, governments broadly include systematic exploitation of **ex-ante control standards** such as regulatory impact assessments of new regulations.

2. Overview of the measures implemented within the PAR process

2.1. Albania

The implementation of the Cross-Cutting PAR Strategy 2015–2020 is defined in the accompanying Action Plan. Performance indicators are foreseen for each objective and activity. Qualitative indicators measuring the impact of the implementation of the target at the end of the period are mainly provided for the objectives, while quantitative or process indicators are provided for the activities. Accomplishment of the activities is predicted mainly in the short term (2015–2017), while certain activities are designed to be continuous, and the deadline for the implementation of activities 7.2.1. (new salary structure implemented) is Quarter IV 2020.

Table 24. Overview of the strategic measures within the PAR Strategy with AP (2015–2020)

Human Resources Management	<p>Objective: <i>Improve capacities for the implementation of civil service legislation and facilitated enforcement procedures</i></p> <p>Activities/Measures:</p> <ul style="list-style-type: none"> - Evaluation of the human resource capacities in charge of implementing the Civil Service Law in the newly incorporated institutions and capacity building to implement uniform procedures - Capacity building for the planning of human resources in public administration institutions - Capacity building of the Department of Public Administration to strategically lead the civil service reform. - Functioning of the Civil Service Commissioner - Creation of databases with prepared questions and the use of electronic evaluation systems in the event of recruitment - Simplification and formatting of the steps and processes related to human resources in public administration through the use of templates or standard forms - Drafting of a set of indicators to monitor civil service reform and regular publication - Setting of the Human Resource Management Information System into full operation and enforcement of the action plan - Creating the conditions and procedures for implementing the transparency and objectivity of career promotion in the civil service - Continuous strengthening of the Albanian School of Public Administration as a provider of training for the civil service and the conducting of studies and research in the field of public administration
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	<p>Objective: <i>Organization of the civil service wage system based on job evaluation, on the evaluation of annual achievements of civil servants and on compulsory training outcomes</i></p> <p>Activities/Measures:</p> <ul style="list-style-type: none"> - Drafting and adoption of a strategic document on the payroll system and adoption of the new wage structure - Adoption of new decisions on wages and implementation of the new structure - Review of the ratios of the maximum and minimum versus the average wage in public administration, in order to maintain an objective wage pyramid and motivation of managerial positions, as well as diversification of classification according to the job content
	<p>Objective: <i>Enhancement of the efficiency and accountability of public officials</i></p> <p>Activities/Measures:</p> <ul style="list-style-type: none"> - Drafting of a broad programme of training on the new Administrative Procedural Code - Application of delegation in institutions, as a measure to increase the accountability of civil servants - Strengthening the regime of asset declaration and auditing of public officials, cases of conflicts of interest, as well as the protection of the rights of whistleblowers
	<p>Organizational Efficiency and Effectiveness</p> <p>Objective: <i>Strengthening the structures of public administration in order to improve service delivery to the public</i></p> <p>Activities/Measures:</p> <ul style="list-style-type: none"> - Conducting of a study to review the functions and internal organization of the institutions of administration at the central and local levels - Conducting of legal interventions into the constitutive acts of subordinate institutions and branches of ministries, reviewing the organizational setups and job descriptions, and the location of new headquarters according to the territorial units - Methodological support for the organization and operation of the new administrative units of the country and capacity building regarding implementation
	<p>Objective: <i>Improved, accessible and integrated public services by reducing the corruption opportunities and strengthening of ethics when delivering public services</i></p> <p>Activities/Measures:</p> <ul style="list-style-type: none"> - Establishment of the Integrated Public Services Delivery Centre - Division of the management of service windows for the public from the offices of processing the applications as submitted by citizens for services (supporting organizational units - back office) in all central institutions - Establishment of "one-stop shops" for administrative services at the local level
	<p>Objective: <i>Simplified procedure for the provision of services by facilitating communication with the public and avoiding corruption</i></p> <p>Activities/Measures:</p> <ul style="list-style-type: none"> - Re-engineering of public services, as a necessary measure for simplifying administrative procedures and reducing the number of steps taken by citizens and support staff - Re-organization of services to be provided in one-stop shops and in the separate windows supporting organizational units (the back office) - Organization of a study on the possibilities of providing services outside the public administration units - General review of the legislation governing the provision of public services in order to reflect the re-engineering of business processes in the regulatory framework

	<ul style="list-style-type: none"> - Drafting of manuals and standard forms to provide services in a unified and codified manner - Ensuring the legal value of printed e-documents - Capacity building of staff involved in the re-engineering of processes and in the provision of improved public services <p>Objective: <i>Developing an ICT infrastructure capable of supporting the daily activities of public administration and efficiency increase by reducing the time to access, process and transmit information while improving the flow of information</i></p> <p>Activities/Measures:</p> <ul style="list-style-type: none"> - Digitization of the main registers' interoperability and establishment of new IT systems - Development and use of an integrated ICT for the service delivery windows of the central institutions for the citizens - Creating a mechanism for citizens to monitor the quality of service to provide their opinions through direct contact via SMS only for the recipients of the service <p>Objective: <i>Enhancement of control over the activities of public administration, guaranteeing the rights of citizens and access to information</i></p> <p>Activities/Measures:</p> <ul style="list-style-type: none"> - Implementation of the institutional transparency programme by public authorities - The use of ICT to enhance the transparency of administration activities
<p>Decision-making process</p>	<p>Objective: <i>Improve planning and coordination policies to draft government strategic documents, which turn priorities into concrete actions</i></p> <p>Activities/Measures:</p> <ul style="list-style-type: none"> - Evaluation of the current situation and regulatory framework for drafting sector and cross-cutting strategies in addition to capacities of stakeholders involved in the process (Central Units of the Office of the Prime Minister and the units of central institutions) - Drafting of regulatory framework to draw up sector and crosscutting strategies and sector strategic documents 2015-2020, in the framework of the National Strategy for Development and Integration 2015-2020 - Capacity building of relevant institutions <p>Objective: <i>Transparent and all-inclusive system of drafting laws, which is based on the policies and, which ensures alignment with the acquis</i></p> <p>Activities/Measures:</p> <ul style="list-style-type: none"> - Evaluation of the situation regarding the current challenges of the legislative drafting system - The adoption of a normative regulatory framework for drafting laws in view to strengthening facilitation of the law drafting process - Systematic use of the evaluation of corruptive opportunities of legislation (Corruption-proofing) - Supplementing with by-laws and ensuring the implementation of the Law on Public Notification and Consultation - Improvement of the procedure for conducting expected impact assessments and evaluations of compliance with the Acquis, as well as linking the regulatory acts with the policies in the country <p>Objective: <i>Building of an effective monitoring and evaluation system of strategies, programmes and legal framework in force, based on the following: the collection of data through a neutral and transparent process for drafting and implementation of strategies, programmes and legislation, and drafting of analysis to evaluate the effects generated by the implementation</i></p>

Activities/Measures:

- Evaluation of the current situation regarding the monitoring and evaluation system used by the government, including the institution in charge of these functions, available human resources and the need for capacity building, the methodology used and the regulatory framework in force
- Building and strengthening of the monitoring and evaluation system of the Albanian Government, through reformation of the regulatory framework in force, a functional review of the units responsible for monitoring and evaluation in central institutions and capacity building of the staff in these institutions, but also in the central monitoring units of the Office of the Prime Minister by establishing an efficient monitoring and evaluation network
- Drafting of monitoring and evaluation methodology
- Use of the electronic monitoring systems by government institutions

The PFM Strategy 2014–2020 carries particular importance bearing in mind that it lays down the long-term projection for the development of public finances. All actions, by pillar and component, are brought together in an Action Plan. The Action Plan consists of the following segments: the relationship between components and outcomes; components; priorities; responsible institutions; key actions; deadlines for activities – short- (2014–2015), medium- (2016–2017) and long-term (2018–2020); outcome indicators; risks related to objectives; baseline values; and targets. For the purposes of this document the following pillars are assessed: Pillar 2: Well integrated and efficient planning and budgeting of public expenditure; the relevant parts of Pillar 3: Efficient execution of the Budget; and Pillar 4: Transparent government reporting.

Table 25. Overview of the strategic measures within the PFM Strategy 2014–2020

COMPONENTS	MEDIUM-TERM 2016–2017	LONG-TERM 2018–2020
Strategic policy development	<ul style="list-style-type: none"> - Develop the sectoral strategies of the NSDI as well as the MTBP on the basis of a prudent growth path for total expenditure - Create the capacity to carry out in-depth sector reviews as needed 	
Capital investment planning, appraisal and inclusion in budget	<ul style="list-style-type: none"> - Include a section in the Organic Budget Law on the principles for the preparation, appraisal and approval of government capital investment projects - Strengthen the public administration's capacity to appraise the socio-economic return from capital investment projects - Create a computerized repository for financial as well as substantive information on major investment projects 	
Medium Term Budget Programme	<ul style="list-style-type: none"> - Prepare and submit to Parliament proposals for amendments to the OBL with the objective of tightening the MTBP process: - Empower the Parliament to vote on and approve the MTBP ceilings at the programme level - Make the ceilings for the three years of the MTBP binding - Require that MTBP requests clearly show which funds are effectively already committed and which are new expenditure under the ceiling 	<ul style="list-style-type: none"> - Effectively implement and manage gender-based budgeting - Design and Implement the Albanian Financial Management System to support MTBP and the annual budget process.

PFM in local government	<ul style="list-style-type: none"> - Draft the law on local government financing - Draft, consult and submit for approval the new Law on the Organization and Functioning of Local Government - Strengthen the implementation of the new laws enacted in regard to PFM practices - Harmonize and further consolidate the legislation impacting both local and central government - Introduce a performance-based system of general grant transfers to LGUs 	
Expenditure control	<ul style="list-style-type: none"> - Configure AGFIS (Albanian Government Financial Information System) so as to allow tracking operational expenses by project code 	<ul style="list-style-type: none"> - Analyse the possibility of introducing an electronic invoice (e-invoice) to foster timely recognition of expenses
Debt and cash management	<ul style="list-style-type: none"> - Integrate the debt management system with AGFIS and the future AFMIS - Improve liquidity forecasting - (Preparation of cash management methodology and training of financial officers on cash forecasting) 	
Management of external funds	<ul style="list-style-type: none"> - Create conditions for the management of external funds through the AGFIS/AFMIS (Albanian Financial Management Information System) - Increase the predictability of donor flows, ensuring that the disbursements of external assistance provided to the government sector are recorded in the state budget - Transparent and effective management and control systems of EU-funded projects under IPA programmes 	<ul style="list-style-type: none"> - Complete these activities started in the short term
PA payroll management	<ul style="list-style-type: none"> - Consolidation of the budget implementation monitoring system - Strengthening the capacities of line ministries and budget institutions for the monitoring and evaluation system 	
Investment project tracking and reporting	<ul style="list-style-type: none"> - Develop routines and IT support for tracking and monitoring large investment projects 	

An overview of the optimization measures and their effects in Albania

A very important part for our analysis is an **overview of the measures related to short-term and long-term optimization measures** or rightsizing measures, as well as the estimation of their effect (estimated for the short term, since the rightsizing initiative has been happening in the region only in recent years).

Selection of optimization measures is developed based on regional and EU experiences and strategic PAR documents.

An estimate of the short-term rightsizing effects is collected from PAR AP reports and the questionnaire shared with the ReSPA liaison officers in the beneficiary countries. The list of measures is defined as a template with the possibility that some (additional) modalities, i.e. measures, are to be added by the ReSPA beneficiaries.

However, bearing in mind the number of state employees (13.3% and 4,463 per 100,000

inhabitants) and the proportion of compensation for employees of GDP (5%) in **Albania**, the focus of the measures should be more on HRM and organizational efficiency (and less on budgetary measures linked to staff in the state administration).

Table 26. Overview of the measures implemented within the PAR process: Budget and HRM

Short-term measures	Modalities	Comment
Public-sector downsizing ¹⁷⁹ (Budget and HRM)	1. Maximum number of employees in each institution/ ministry	This limit is set each year by the State Budget
	2. Removal of some positions from the Rulebook on internal organization and systematization of jobs	On the basis of relevant legislations
	3. Establishment and maintenance of the Internal labour market records	On the basis of relevant legislations
Other short-term measures for reduction of employment costs	1. Unpaid leave	Apart from the 28-day annual leave which is paid, the legislation foresees an additional 30 days of unpaid leave.
Modalities of long-term strategic measures		Comment
1. Centralization of IT management		In accordance to the relevant legislations
2. Increased use of e-Government (on-line services)		In accordance to the relevant legislations
3. Release of civil servants if a certain job is no longer required (provision of technological redundancy and transfer to another job)		During restructuring and only in accordance to the legislation
4. Outsourcing		Mainly for technological maintenance, supporting services such as cleaning, etc.
5. Structural and organizational reforms (the reorganization of state agencies and reduction of their number, reduction of management levels)		In accordance to the relevant legislations
6. Decentralization – delegation of certain function to local authorities		In accordance to the relevant legislations
7. Planning of labour force – planning of numbers and definition of key skills and competencies of employees in line with the mission, competences, responsibilities and strategic goals to be achieved each year, as well as in line with the available financial resources)		In accordance to the relevant legislations
8. Human resource management reform (move to contracts for most of the employment, focus on results as the basis for salaries and career development, defining the system of remuneration)		The HRM reform is detailed in the Cross-Cutting Public Administration Reform Strategy 2015–2020
9. Labour force mobility, particularly when it comes to job cuts, restructuring and merging of different institutions		Labour force mobility is clearly defined in the civil service legislation for jobs pertaining to the civil service. For other aspects, the Labour Code is the relevant law.

¹⁷⁹ The data was collected using the questionnaire.

10. Improvement of the system for management of public policies of the Government (planning, analysis, creation, adoption, monitoring and evaluation and coordination)	In accordance with the relevant legislation
11. Improvement of financial and budget information, commitment control and arrears	Activities and means through which the improvement of public financial management is to be conducted is part of the PFM Strategy.

Regarding the effects of the implemented measures, the main expectations are in the HRM, improving the efficiency, productivity and quality of service delivered.

Table 27. Effects on implemented (planned) measures defined in PAR strategy and AP 2015–2020 in Albania

	Areas	Yes/No	Comment
1	On public-sector downsizing	No	–
2	On the improvement of human resource planning	Yes	Ongoing activities (need connection with HR Plan)
3	On planning improvement and standardization of public-sector pay policy, in line with the fiscal capacity of the economy	Yes	Ongoing activities
4	On improving efficiency, productivity and service quality improvement	Yes	Continuous work
5	On strategic and budget planning, i.e. reduction/alignment of budget expenditures	Yes	Ongoing activities

Strategic budget planning is related to the implementation of the recently adopted PFM strategy. In that context, the key EC recommendations are the following:

- To underpin fiscal consolidation by improving the fiscal framework; in particular, (i) strengthen medium-term budget (MTBP) plans by empowering the Parliament to approve binding three-year ceilings at the programme level and by clearly showing in the MTBP which funds are effectively committed and which represent new expenditure below the ceiling; (ii) move decisively towards adopting a fiscal rule which ensures debt sustainability, counter-cyclicality and transparency; and
- Strengthen administrative capacities to ensure **smooth legal land registration**, the full functioning of the cadastre in general and especially the e-cadastre by 2019. Implement the e-procedure for building permits in order to cut red tape and encourage investment.¹⁸⁰

2.2. Bosnia and Herzegovina

The **PAR Strategy (2006)** was implemented in six reform areas: Policy Making and Coordination Capacities, Public Finance, Institutional Communication, Information Technology, Administrative Procedure and Human Resources Management, equally and at the same time at all four administration levels (BH, FBH, RS and District of Brčko). The Common Platform on the principles and implementation of the PAR Strategy Action Plan 1 in Bosnia and Herzegovina, signed by the governments in BH in 2007, has ensured a political and

¹⁸⁰ Other recommendations are: to implement the NPL action plan (to reduce non-performing loans, i.e. risks to financial stability and the real economy) and obligations arising from the Energy Community Treaty, as well as to increase the coverage of active labour market policies and reducing of undeclared work. (Council of the EU, Joint Conclusions of the Economic and Financial Dialogue between the EU, the Western Balkans and Turkey, Brussels, 25 May 2016.

legal framework, as well as the basis for cooperation between the government bodies at all government levels and the work of their representatives in the joint work bodies for monitoring and implementation of AP1. The timeframe for **the PAR AP** expired in 2011 with a level of realization of 52.28%.

The modified measures from AP1 were transferred to the revised action plan – **RAP1 2011–2014**. RAP 1 also stipulated a division into six reform areas. In some areas of reform, a change in their name came about, with the goal of having a more precise meaning. In accordance with that, it was stipulated that the area “Administrative Procedure” be renamed to “Administrative Procedures and Administrative Services”, the reform area “Information Technology” to “E-Government”, and the area “Policy Making and Coordination Capacities” to “Strategic Planning, Coordination and Policy Making”. Objectives in the area of “Total Quality Management” were added. At the same time, no new and independent reform areas were created, but these objectives were included in the reform area of Human Resources Management.¹⁸¹

Table 28. BH: Overview of the strategic measures within RAP1 2011–2014

PRIORITY AREA	MEASURES
Strategic planning, Coordination and Policy Making	<ul style="list-style-type: none"> - Improve the process of annual programming of the work of the CoM/governments - Ensure strengthening of the central capacities of the cantonal governments in the FBH - Strengthen the central capacities of the BD BH - Standardize the processes of drafting legal regulation - Define mechanisms of vertical inter-institutional (inter-ministerial) and intergovernmental cooperation and consultations - Improve consultations with the interested public - Ensure an effective system for public policy/RIA - Define a comparative overview of solutions as a mandatory constituent part of the proposal of regulations/public policies - Establish an IT system to support the process of the preparation and adoption of regulations, which also includes elements of e-democracy and is integrated with the document management system, system of e-sessions of government and electronic database of regulations. - Establish and maintain a comprehensive electronic database of legal and by-law regulations, which can be accessed from one place and through an integrated web portal - Publish all regulations (legal and by-law acts) and their integrated texts in the competency of the ministries, or other administration bodies or administrative organizations on their web sites - Prepare and publish integrated texts of laws and other regulations
Public Finance	<ul style="list-style-type: none"> - Regular drafting of macro-fiscal framework for the whole of BH - Regular making of a consolidated account of the public sector - Further strengthening of communication between the management of the institutions and the units for finance - Timely involvement of the parliament in the process of enacting the budget and widened reporting to the parliament and the public - All extra-budgetary assets and extra-budgetary funds must be fully included in the medium-term framework of expenses and the budgetary process - Establish the exact capacities for introduction of modern international accounting standards and a budgetary model of accounting in public administration in BH, and request donor assistance - Introduction of the function of the treasury to the whole administration - Improvement of the function of the treasury - Modernization of the treasury's information system

¹⁸¹ <http://parco.gov.ba/eng/?page=453>.

	<ul style="list-style-type: none"> - Strengthening of the units that are responsible for the budget and fiscal policy within the ministries of finance in BH and the entities - Employment of a sufficient number of IT experts to maintain the electronic systems - Provide a sufficient number of officers for reforms within the sectors for the budget in the MoFs
Human Resources Management	<ul style="list-style-type: none"> - At the level of the central institutions – strengthen the capacities of the central institutions for HRM, parallel in the segments of development of strategies and/or policies, drafting of regulations and providing instructions and advice to individuals and institutions - At the level of the individual institutions – make the function of HRM independent, in such a way as to be a separate organization unit (where the size of the institution requires it), separate from the general and legal affairs and to be, by its status and hierarchy, equal to the organizational unit for financial affairs - Make the HRM Information System (HRMISi) operational and use it as a tool for managerial planning and decision making - Introduction of modern planning of HRM in the process of annual planning of the CoM BH/governments, in all the structures of the civil service and at the level of individual institutions - Introduce harmonized criteria for the evaluation of candidates in the process of selection - Put into operation (and promote) the usage of competencies (knowledge, skills, competencies, personal characteristics, etc.) in the process of selecting candidates - Promote the values of the civil service and the attracting of special categories of employees - Tie the evaluation of work performance to the degree of fulfilment of the agreed work objectives (regarding quantity and quality) - Link Training Needs Analysis (TNA) with the process of evaluation of work and annual interviews - Improve coordination of preparation and implementation of training plans and the development of common interest for all structures of the civil service - Ensure continuity in the preparation and implementation of medium-term plans of training and development of the civil service at all levels - Classify work places in each individual structure of the civil service in BH - Evaluate work places in the institutions of public administration - Create assumptions to enable the advancement of individuals through the system of salaries
Administrative Procedure	<ul style="list-style-type: none"> - Adopt the Administrative Decision Making Quality Improvement Programme - Enable electronic communication between the parties and the bodies - Strengthen the role of administrative inspections - Introduce the obligation of the second-instance body to decide based on merit
Institutional Communication	<ul style="list-style-type: none"> - Maintain and develop capacities in the institutions - Improve communication between the PR offices/officers at all levels of authority - Improve coordination in the field of strategic communication between various levels of authority - Ensure modern and efficient development of strategic communication sectors in the future - Standardize the requirements and job descriptions for the PR officers - Provide training on public relations and strategic communication for the PR officers - Ensure training of the PR officers in other fields significant for their work - Provide the PR officers/managers with access to the experiences of the best European practice - Ensure that senior management understands and supports the work of the PR offices/officers - Clarify and simplify communication with the media - Increase the efficiency of media monitoring - Monitor implementation of the Freedom of Information Act (FOIA) and ensure regular reporting in accordance with the law

	<ul style="list-style-type: none"> - Ensure that all the institutions fulfil their responsibilities in accordance with the FOIA - Ensure the quality and consistency of the websites - Provide information to citizens without intermediary - Explain the administration to citizens - Continuously inform and raise awareness on certain topics through mechanisms of public campaigns - Measure the effectiveness of strategic communications - Measure public opinion and the degree of knowledge of the key areas of policies - Improve communication with civil society
E-Administration	<ul style="list-style-type: none"> - Establish systems for the supervision and accreditation of certifiers - Ensure the interoperability and acknowledgement of all accredited certifiers on the territory of BH - Equalize the validity of electronic and standard (paper) submissions and documents - Enable use of all accredited security electronic signatures for operations with public administration. - Define the commitments and/or principles, as well as standards for IT procurement - Draft regulations for IT security - Establish a permanent process of risk analysis at all levels of authority - Establish CERT (Computer Emergency Response Team) institutions - Establish a strong central unit, at those levels of authority where it does not yet exist, responsible for coordination and assistance for the development of e-Administration - Continuously strengthen all the established central units responsible for coordinating and assisting the development of e-Administration, especially in terms of strategic capacities to coordinate the activities of e-Administration, development of policies/strategies, the drafting of regulations and providing guidance and advice to individuals and institutions, either by hiring new people or through additional training for the existing staff - Ensure there are professional IT staff in public administration - Increase support from the top-level management for development of e-Administration - Make arrangements for the use and improvement of the existing potentials that will guarantee cheap, reliable and safe access to information and enable transfer of information, both within the public sector, including also the exchanging of information between various levels of authority, municipalities included, and externally between the public sector and the users of public services - Define a common framework and standards for information systems architecture and development of applications - Establish an interoperability framework for e-Administration, with the objective of ensuring the compatibility of information systems and processes, and providing unified and user-directed services of public administration. - Establish an electronic database of public registers (population, registrar records, personal documents, business subjects, electronic cadastre and land registry, tax register, social rights, etc.) - Establish and implement the information systems that support the key horizontal functions: HRMIS, electronic public procurements, document management system (DMS), e-sessions of government. - Establish a BH portal that would be organized around every-day life events, covering services within the competency of the state bodies. Make a link on this portal to the portals of the entities and the BD BH. - Establish entity and BD portals that would be organized around every-day life events, covering services from the competency of the entities and the BDBH. - Implement common services for e-services - Implement the following priority transaction e-services for citizens: e-tax on the total income of citizens, registration of motor vehicles, and certificates on movement (change of residence and change of address) - Implement the following priority transaction e-services for business subjects

The new **PAR Strategy** document and Action Plan, which will cover the period 2016–2020, is under preparation.

An overview of the optimization measures and its effects in Bosnia and Herzegovina

The level of the realization of measures from RAP 1 was 61% until 2014. Based on the new decisions on all administrative levels, realization of RAP1 continued in 2015 and level of realization was **65%** at the end of 2015.¹⁸² Table 29 presents an estimate of the effects of the implemented measures defined in RAP1, such as their link with the actual action plans for implementation of the Reform Agenda for BH 2015–2020.

Table 29. Effects on implemented (planned) measures defined in RAP 1

	Areas	Yes/ No	Comment
Central Level BH			
1	On public-sector downsizing	No	No such measure was included in the Strategy and action plans.
2	On the improvement of human resource planning	No	Although the Revised Action Plan 1 dedicated a whole chapter to the area of HR that included several activities in this field, those activities were not implemented at the level of the institutions of BH. Namely, the Council of Ministers did not appoint an institution that should be responsible for HRM. The project "Modernization of the HRM systems in the Civil Service Structures in BH", which was financed by IPA 2011, drafted the document "Modernization of HRM practices in Public Administration Structures in BH", which dealt with the topic of modern HR planning. Still, the recommendations in this area were not implemented at the state level of BH.
3	On planning improvement and standardization of public-sector pay policy, in line with the fiscal capacity of the economy	No	No such measure was included in the Strategy and action plans.
4	On improving efficiency, productivity and service quality improvement	Yes	Activities arising from this measure were implemented through the Revised Action Plan 1— Area: Administrative Procedures and Administrative Services; Chapter 1. Administrative procedure simplification, 2. Improvement of service user's satisfaction, 3. Monitoring/control and 5. Capacity building.
5	On strategic and budget planning, i.e. reduction/alignment of budget expenditure	Yes	Activities arising from this measure were implemented through the Revised Action Plan 1 - Area: Strategic planning, Coordination and Policy making, Chapter 1. Strategic planning and the area of public finance – Chapter 1. Policy dimension of the public finance system; 2. Increasing the efficiency and effectiveness of budget management; and 3. Improving the accounting framework and treasury system operations

¹⁸² Annual report on implementation of RAP 1 of the PAR Strategy, PARCO, January-December, 2015.

Federation of BH – link with AP for the Reform Agenda			
1	On public-sector downsizing	Yes	The Reform Agenda in BH 2015–2018 includes PAR process (items 13–17) Action Plan for its implementation at the FBH level also include implementation of the PAR process, with measures such as: <ul style="list-style-type: none">- Rigid control of new employment in PA- Improvement of HRM- Transparent employment in PA based on a merit system- Reorganization- Adoption of key PAR principles- Revision of HR plans- Transparent salary system¹⁸³
2	On the improvement of human resource planning		
3	On planning improvement and standardization of public sector pay policy, in line with the fiscal capacity of the economy		
4	On improving efficiency, productivity and service quality improvement		
5	On strategic and budget planning, i.e. reduction/alignment of budget expenditures		
Republic of Srpska - comments and link with AP for the Reform Agenda			
1	On public-sector downsizing	Yes	BH Reform Agenda for the period 2015–2018 and the Republic of Srpska Action Plan for its implementation
2	On the improvement of human resource planning	Yes	Following full implementation of the EU project on HRM, the recommendations relating to the analysis, analytical evaluation and grading of jobs and new job descriptions will be developed; The AP for BH Reform agenda in the Republic of Srpska also includes: <ul style="list-style-type: none">- Further improvement of legislation; – the Law on the Civil Service, with a special focus on more flexible working arrangements of HR planning / revision of HR plans- Adoption of key PAR principles- Transparent employment in PA based on a merit system- Establishment of key qualification criteria and creation of tests on key competencies (for employment of civil servants and state employees)¹⁸⁴
3	On planning improvement and standardization of public-sector pay policy, in line with the fiscal capacity of the economy	Yes	After carrying out an analysis, analytical evaluation, gradation and new job descriptions, it is necessary to draw up a more fair system of salaries. The implementation of the Reform Agenda for BH for the period 2015–2018 and the Action Plan of the Republic of Srpska for the implementation of the Reform Agenda for BH.
4	On improving efficiency, productivity and service quality improvement	Yes	Through more regular deployment of employees using competencies, increasing employees' skills and use of information technologies
5	On strategic and budget planning, i.e. reduction/alignment of budget expenditure	Yes	BH Reform Agenda for the period 2015–2018 and the Republic of Srpska Action Plan for its implementation

Table 30 shows an overview of the measures related to short-term and long-term optimization measures i.e. **rightsizing measures**, as well as an estimate of their effect (estimated for the short term, since the rightsizing initiative has been taking place in the region only in recent years) separately for the central level of BH, FBH and RS.

¹⁸³ AP for BH Reform Agenda Implementation at the Level of the Federation of BH, December 2015, pp.9–10.

¹⁸⁴ AP for BH Reform Agenda Implementation at the Level of Republic of Srpska, November 2015, pp.6–7.

Data on the implemented measures as well as an estimate of short-term rightsizing effects have been collected from the PAR AP reports and the questionnaire shared with the ReSPA liaison officers from the central level of BH, FBH and RS.

Bearing in mind the number of state employees (29.4%¹⁸⁵ or 5,516) and the proportion of compensation for employees of GDP (11.5%) in **Bosnia and Herzegovina**, the focus of the measures should be both on HRM and budgetary measures.

Table 30. Overview of measures implemented within the PAR process: Budget and HRM – BH

Short-term measures	Modalities	Comment
Public-sector down-sizing	“Freezing” of employment	Each new employment has to be previously approved by the Council of Ministers of BH (CoM)
	“Freezing” of vacancies	Institutions cannot hire employees for vacant positions beyond the level approved by the Budget of Institutions. Approval by the CoM is also needed.
	Voluntary leaving of jobs in certain sectors	The Law on the Civil Service allows voluntary resignation from the Civil Service.
	Replacement rate of employees leaving state institutions	There is no unique data – each institution (for itself) has data regarding the number of employees leaving the institution.
	Maximum number of employees in each institution/ ministry	Law on Budget of Institutions of BH and international obligations of BH prescribes the number of employees for each Institution.
	Establishment and maintenance of internal labour market records	Civil Service Agency is working on establishment of the Central Register of the civil servants.
Other short-term measures for reduction of employment costs	Reduction of salaries and other elements of compensation for work (bonuses or other payments over salaries)	Prescribed by Amendments of the Law on salaries and reimbursements in the institutions of BH (OG BH No. 88/15).
	“Freezing” of salaries in public administration	Prescribed by the Decision on the Adoption of the Policy on Salaries and Reimbursements in the Institutions of BH 2015–2018 (OG BIH No. 74/15).
	Unpaid leave	Prescribed by the Decision on Terms for Unpaid Leave and Part-Time Work (OG BH No. 38/13).
	Reduction of costs related to job (travel, telephone...)	Rulebook on telephone usage, Rulebook on representation costs, Rulebook on terms for purchase and utilization of company cars in the institutions of BH.
Long-term, strategic measures		Comment
1. Centralization of support services (financial, HR...)		Procedure ongoing/HRM
2. Centralization of public procurement and real estate management		In accordance to the relevant legislations
3. Release of civil servants if a certain job is no longer required (provision of technological redundancy and transfer to another job)		Not until the new Rulebooks on internal organization and systematization of job positions are adopted

¹⁸⁵ Sections of NACErev2. –O, P and Q.

4. Improvement of the system of coordination and cooperation with civil society organizations	In accordance with the relevant legislation
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At the same time, some new (long-term) measures are prescribed in action plans for implementation of the Reform Agenda in BH 2015–2018 at the level of the Federation of BH and the Republic of Srpska, as presented in Table 31 and Table 32.

Table 31. Overview of measures implemented within the PAR process: Budget and HRM – FBH

Short-term measures	Modalities	Comment
Public-sector downsizing	“Freezing” of employment	Decree of the Government of the Federation of BH. Current staff moratorium
	“Freezing” of vacancies	Decree of the Government of the Federation of BH
	Removal of vacancies from the Rulebook on internal organization and systematization of jobs	Depends on the institutions and real need
Other short-term measures for reduction of employment costs	Reduction of budget for trainings	In accordance with the relevant legislation
	Reduction of costs related to job (travel, telephone...)	
Long-term, strategic measures		
1. Centralization of public procurement and real estate management		Reform Agenda in BH 2015–2018
2. Release of civil servants if a certain job is no longer required (provision of technological redundancy and transfer to another job)		No general obligation
3. Structural and organizational reforms (reorganization of state agencies and reduction of their number, reduction of management levels)		Reform Agenda in BH 2015–2018
4. Planning of labour force – planning of numbers and definition of key skills and competencies of employees in line with the mission, competences, responsibilities and strategic goals to be achieved every year, as well as in line with the available financial resources)		Reform Agenda in BH 2015–2018
5. Labour force mobility, particularly when it comes to job cuts, restructuring and merging of different institutions		Reform Agenda in BH 2015–2018
6. Improvement of the system for management of public policies of the government (planning, analysis, creation, adoption, monitoring and evaluation and coordination)		Reform Agenda in BH 2015–2018
7. Improvement of financial and budget information, commitment control and arrears		Reform Agenda in BH 2015–2018
8. Improvement of the system of coordination and cooperation with civil society organizations		Reform Agenda in BH 2015–2018

Table 32. Overview of measures implemented within the PAR process: Budget and HRM – RS

Short-term measures	Modalities	Comment
Public-sector downsizing	"Freezing" of employment	RS Government Decision on Stopping Employment dated 4 Nov 2010 and Annual Personnel Plans
	Technological redundancies in some state institutions	Prescribed in the Law on Civil Servants, redundancies implemented in the Ministry of Refugees and Displaced Persons
	"Freezing" of vacancies	Prescribed in the Regulation on Principles of Internal Organization and Systematization of Jobs in the Republic Authorities of the Republic of Srpska
	Maximum number of employees in each institution/ ministry	Through Annual Personnel Plans
	Removal of vacancies from the Rulebook on internal organization and systematization of jobs	Prescribed in the Regulation on Principles of Internal Organization and Systematization of Jobs in the Republic Authorities of the Republic of Srpska
	Establishment and maintenance of the internal labour market records	Through the Central Personnel Database
Other short-term measures for reduction of employment costs	Reduction of salaries and other elements of compensation for work (bonuses or other payments over salaries)	Through the Law on the Salaries of Employees in the Administrative Bodies of the Republic of Srpska
	"Freezing" of salaries in public administration	Through the Law on the Salaries of Employees in the Administrative Bodies of the Republic of Srpska (the salaries are fixed and there is no advancement through salary grades)
	Reduction of budget for training	Through budget planning
	Reduction of costs related to job (travel, telephone...)	Through budget planning
	Blocking of mandatory additional payments on salaries	Through the Law on the Salaries of Employees in the Administrative Bodies of the Republic of Srpska
Long-term strategic measures		Comment
1. Centralization of support services (financial, HR...)		HRM through the Civil Service Agency RS
2. Centralization of IT management		Through the Agency for Information Society
3. Increased use of e-Government (on-line services)		Examples are business registration, registry records and others
4. Release of civil servants if a certain job is no longer required (provision of technological redundancy and transfer to another job)		Prescribed in the Law on Civil Servants
5. Structural and organizational reforms (reorganization of state agencies and reduction of their numbers, reduction of management levels)		Through amendments to the Law on the Republic Administration
6. Decentralization – delegation of certain function to local authorities		Through the Law on Local Self-Government and material regulations
7. Reduction of the operational budget of ministries, agencies and independent state institutions		Through budget planning

8. Planning of labour force – planning of numbers and definition of key skills and competencies of employees in line with the mission, competences, responsibilities and strategic goals to be achieved every year, as well as in line with available financial resources)	Through personnel planning
9. Human resource management reform (move to contracts for most of the employment, focus on results as the basis for salaries and career development, defining the system of remuneration)	Through projects implemented in the PAR
10. Labour force mobility, particularly when it comes to job cuts, restructuring and merging of different institutions	Prescribed by the act on organization and systematization
11. Improvement of the system for management of public policies of the government (planning, analysis, creation, adoption, monitoring and evaluation and coordination)	Through Decision on the Procedure of Planning, Monitoring and Reporting on the Implementation of Adopted Strategies and Plans of the Government of the Republic of Srpska and Republic Administrative Bodies
26. Improvement of financial and budget information, commitment control and arrears	Through multiannual budget planning (DOB)
13. Improvement of the system of coordination and cooperation with civil society organizations	Through the Guidelines for the Republic Administrative Authorities on public participation and consultation in the drafting of legislation

Regarding the effects of the implemented measures, future activities should be focused on further development of all the areas of the optimization process, particularly on strengthening the quality of public finances and improvements of organizational efficiency.

Major structural obstacles to growth and competitiveness include the absence of a common economic space including business registration not being recognized across the country, a large and inefficient public sector with multiple overlapping competences, a lack of a coherent countrywide quality infrastructure, widespread informalities and corruption affecting the business environment.

The adoption of the **Economic Reform Programme (2016–2018)** is a welcome first step towards improved coordination and cooperation between different government levels, based on a shared country diagnostic of the main structural issues. In that context, the key EC recommendations are the following:

- Improve the quality of public finances. Enhance the growth-friendliness of public spending, among others by increasing public investment, and contain spending for public employment. Improve the targeting of social spending and establish a comprehensive inventory of public-sector payment arrears. Furthermore, strengthen countrywide public debt management capacities, in particular by improving cooperation and the flow of information from local data providers to the state level. Set up an enforceable rules-based framework to instil discipline at all levels of government.
- Set up a common economic space and systematic coordination mechanisms between all government levels. Adopt a countrywide transport strategy and a countrywide energy sector reform strategy in compliance with the country's obligations under the Energy Community Treaty.
- Introduce e-payment services on taxation and fully implement the Law on Electronic Signatures in order to increase transparency and reduce the scope for tax evasion, corruption and regulatory complexity.¹⁸⁶

¹⁸⁶ Council of the EU, Joint Conclusions of the Economic and Financial Dialogue between the EU and the Western Balkans and Turkey, Brussels, 25 May 2016, pp.10–11.

2.3. Macedonia

The PAR Strategy and PAR Action Plan 2010–2015 (revised in 2012) defined the objectives and actions for the reform. The PAR AP translates the objectives into measures and actions, and is currently regarded by the MISA as the main document in the area of PAR. Six broad PAR priorities are defined in the document: 1) Administrative procedures and services; 2) Strategic planning, co-ordination, policy making and better regulation; 3) The system of public service and human resources; 4) The system of public finance; 5) E-government and e-administration; and 6) Anti-corruption policies.¹⁸⁷

The annual implementation reports of the PAR Action Plan (revised in 2012) focus mainly on the outputs. Analysis based on clear performance indicators and targets is lacking. Besides this, information on the costing of reform actions is incomplete.¹⁸⁸

However, the declared commitment to transparency, accountability and merit in public administration has been compromised by *ad-hoc* measures allowing public employment as a social measure or the mass conversion of temporary staff to having permanent status. This also limits the financial sustainability of the wider public administration reform agenda.¹⁸⁹ The new PAR Strategy document and Action Plan, which will cover the period 2017–2022, is under preparation.

Table 33. Overview of the strategic measures within the PAR Strategy AP 2010–2015 (Medium-Term Revision 2012)

PRIORITY AREA	MEASURES
Administrative Procedures and Services	<ul style="list-style-type: none"> - Ex-officio document exchange – “one-stop-shop system” - Drafting, adoption and implementation of new Law on General Administrative Procedure - Introduction of the work approach “No Wrong Door” - Introduction of a quality management system in state institutions according to the ISO 9001 standard - Introduction of the Common Assessment Framework – CAF - Establishment of the satisfaction-measurement system “Assess the Administration” for users of administrative services - Upgrade of the “Citizens’ Charter” instrument research into the inclusiveness and satisfaction of employees in the administration - Introduction of the “Quality Barometer” methodology - Developing a software solution for the automated allocation of inspections on administrative procedures - Review the functioning of the Administrative Court and the implementation of measures for capacity building in order to reduce unsolved cases; - Capacity-building measures for employees of the Higher Administrative Court in order to ensure proper functioning.
Strategic Planning, Policy Making, Coordination and Better Regulation	<ul style="list-style-type: none"> - Improvement of the Annual Working Programme of the Government Implementation of sound processes for strategic planning in the ministries and the state administration bodies - Implementation of sound processes for strategic planning in the ministries and the state administration bodies - Improving capacities for strategic planning across the overall public administration

187 Revised Action Plan of the Public Administration Reform Strategy 2010–2015, Medium-Term Revision 2012, October 2012.

188 SIGMA (2015) Baseline Measurement Report, The Principles of Public Administration of the Former Yugoslav Republic of Macedonia, OECD Publishing, Paris, pp.7–8.

189 EC Progress Report Macedonia 2015, p.12.

	<ul style="list-style-type: none"> - Development of the Registry of Government Strategic Documents - Improving the capacities of the Ministry of Finance for preparation of macro-economic forecasts, as well as revenue and expenditure forecasts in order to support the strategic planning process - Development of the capacities of the Ministry of Information Society and Administration - Adoption of mandatory guidelines for public participation in the policy-making process - Improvement of the regulatory impact assessment process (RIA) - Upgrade of the Single National Electronic Register of Regulations (ENER) - Introduction of a modern public consultation method through the e-democracy web portal - Training of civil servants in drafting laws - Realization of the Regulatory Guillotine – Stage 4 “Advantages of Being Small”
Civil Service System and Human Resources Management	<ul style="list-style-type: none"> - Drafting, adoption and implementation of the Law on the Administration - Introduction of a model for human resource management based on competences - Efficient coordination of the programme for employment of members of the communities in accordance with the principle for employment based on merit - Establishment of “managerial teams” in administration - Establishment of a register of public servants and determining the total number of employees in the public administration - Simplification of the internal mobility of employees within the public administration - Improvement of the coordination mechanism for human resource management at the level of the entire administration - Introduction of a strategic level of human resource planning - Establishment of an information system for human resource management in the civil and public service - Adoption of a new Law on Salaries in the Administration - Developing a catalogue on work positions - Preparation and adoption of the Strategy for Training of the Administration 2013–2015 - Establishment of a new organization form for training of the Administration - Establishment of an electronic learning management system in the Administration - Establishing of a “micro-learning” system involving top-level management staff
Public Financial System	<ul style="list-style-type: none"> - Amendments to the Law on the Budget – The annual budget will be enshrined both in a long-term vision and strategic coherence of all relevant policies - Capacity building for the Sector for Budget and Funds in the Ministry of Finance and budget institutions to enforce an efficient budget policy - Provision of a sufficient budget for the implementation of harmonized public policies - Improvement of the planning and responsibility of the budget institutions - Further approximation of the Law on Public Procurement with the Acquis - Timely completion of contracted public procurement projects - Adoption of the Law on Financial Inspection in the Public Sector
E-government and E-administration	<ul style="list-style-type: none"> - Connection and use of registers and databases between state administration bodies and institutions – Interoperability - Establishment of a document management system (DMS) - Introduction of a legal framework for enabling electronic archiving and office management - Upgrade of the central government portal – uslugi.gov.mk - Introduction of electronic services - Ensure electronic payment of administrative taxes and fees - Introduction of an “e-reminder” system that will notify users electronically about the maturing of obligations concerning administrative services - Ensure establishment of Open Data - Raising awareness of e-Government services and their benefits

Anti-Corruption Policy	<ul style="list-style-type: none"> - Preparation and adoption of a new State Programme for the prevention and repression of corruption with an Action Plan - Introduction of a new Law on the Prevention of Corruption or changes to the current legislation in terms of the introduction of an integrity system, protection of whistleblowers, and further definition of other matters in the area of the prevention of corruption in politics and increasing the mandate of the SCPC from 4 to 5 years - Enhancing anti-corruption policies - Streamlining the concept of integrity across the public administration - Ensure systemic and institutional protection of whistleblowers - Proactively implement legislation to prevent corruption
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An overview of the optimization measures and their effects in Macedonia

Table 34 and Table 35 show an overview of the measures related to short-term and long-term optimization measures i.e. rightsizing measures, as well as an estimate of their effect (estimated for the short term, since the rightsizing initiative has been happening in the region only in recent years) in Macedonia.

Data on implemented measures as well as the estimate of short-term rightsizing effects are collected from PAR AP reports and the questionnaire shared with the ReSPA liaison officer from Macedonia.

Bearing in mind the number of state employees (21.1% or 5,298 employees in PA per 100,000 inhabitants) and the proportion of compensation for employees of GDP (only 4.4%) in Macedonia, the measures should be focused on further development of all areas of the optimization process, particularly on strengthening the quality of HRM and instruments of organizational efficiency.

Table 34. Overview of measures implemented within the PAR process: Budget and HRM

Short-term measures	Modalities	Comment
Public-sector down-sizing	"Freezing" of employment	In accordance with the relevant legislations
	Technological redundancies in some state institutions	
	"Freezing" of vacancies	
	Reduction of the number of positions (work places)	
	Removal of some positions from the Rulebook on internal organization and systematization of jobs	
	Establishing and maintaining of the Internal labour market records	
Other short-term measures for reduction of employment costs	Unpaid leave	
	Reduction of costs related to job (travel, telephone...)	
	Blocking of mandatory additional payments on salaries	
Long-term strategic measures		
1. Possibilities of training and requalification as solution and support for removal to another sector		
2. Centralization of support services (financial, HR, etc.)		
3. Centralization of IT management		
4. Increased use of e-Government (on-line services)		
5. Centralization of public procurement and real estate management		

1. Possibilities of training and requalification as solution and support for removal to another sector	Ongoing activities
2. Centralization of support services (financial, HR, etc.)	
3. Centralization of IT management	
4. Increased use of e-Government (on-line services)	
5. Centralization of public procurement and real estate management	
6. Release of civil servants if a certain job is no longer required (provision of technological redundancy and transfer to another job)	
7. Outsourcing	
8. Decentralization – delegation of certain functions to local authorities	
9. Reduction of the operational budget of ministries, agencies and independent state institutions	
10. Planning of labour force – planning of numbers and definition of key skills and competencies of employees in line with the mission, competences, responsibilities and strategic goals to be achieved every year, as well as in line with available financial resources)	
11. Human resource management reform (move to contracts for most of the employment, focus on results as basis for salaries and career development, defining the system of remuneration)	
12. Labour force mobility, particularly when it comes to job cuts, restructuring and merging of different institutions	
13. Improvement of the system for management of public policies of the government (planning, analysis, creation, adoption, monitoring and evaluation and coordination)	
14. Improvement of financial and budget information, commitment control and arrears	
15. Improvement of the system of coordination and cooperation with civil society organizations	

Regarding effects of the implemented measures, future activities should be focused on further development of all areas of the optimization process, particularly on strengthening the quality of public finances.

Table 35. Effects on implemented (planned) measures defined in PAR strategy and AP 2010–2015

	Areas	Yes/ No	Comment
1	On public-sector downsizing	Yes	From the moment of the adoption of the new Law on Public Sector Employees, for 15 months no vacancies were posted because of the Methodology for Planning of the employments, which was not adopted. Therefore the number of employees fell because of the retirement of employees, around 3,000 per year.
2	On improvement of human resource planning	Yes	According to the new Law on Public Sector Employees, the Methodology for Planning of employment was adopted. This Methodology proscribes that every year each institution, except the Ministry of the Interior, Intelligence Agency and the Army, has to adopt the Annual Plan for employment. This Annual Plan consists of many tables in which the institution must give an explanation for the need for this employment, and the Annual Plans have to be approved by the Budget Institution as well as by the Ministry of Information Society and Administration, and for some institutions the Secretariat for Implementation of the Ohrid Framework Agreement is also authorized to approve these Plans.

3	On planning improvement and standardization of public-sector pay policy, in line with the fiscal capacity of the economy	No	The next step in the PAR process is the new Law on Public Sector Salaries through which this issue should be solved.
4	On improving efficiency, productivity and service quality	Yes	The new Law on General Administrative Procedure, as well as the 169 harmonized material laws should improve efficiency, productivity and service quality. The LGAP was enforced on 1 August 2016, so we will have to wait to see the results in practice.
5	On strategic and budget planning, i.e. reduction/alignment of budget expenditures	Yes	Last year the strategic and budget planning had the main goal of reducing/aligning budget expenditures.

Structural reforms in the key areas of the economy have been started in accordance with the Economic Reform Programme (2016–2018), but have to be implemented consistently. Public finance management (PFM) is affected by insufficient transparency and a weak procurement framework. In that context, the key EC recommendations are the following:

- Improve fiscal transparency and budget planning capacity by the swift introduction of a medium-term expenditure framework; by providing multiannual projections of detailed revenue and expenditure components in the medium-term strategy as well as by comprehensive reporting of extra-budgetary expenditure in the consolidated fiscal reports. Inform systematically about payment arrears;
- Adopt a credible public finance management reform programme. Prioritize public investments against clear policy objectives and identify the needs to which they respond. Increase transparency in the selection criteria for the investments and in their impact on economic growth and fiscally;
- Ensure a reliable and predictable regulatory environment for businesses by reducing the use of the urgency procedure for legislation, ensuring proper consultation of the stakeholders and reinforcing the independence of the commercial courts.¹⁹⁰

2.4. Montenegro

Implementation of the PAR Strategy 2016–2020 is defined in the accompanying **Action Plan for the period 2016–2017**. This document includes systematized activities and sub-activities according to the policy areas and objectives, responsible institution, starting data and planned completion data, estimated costs, reference to funding sources and performance indicators (achievement of achieved progress towards strategic goals). The AP for PAR does not include the activities for the implementation of the PIFC and PFM strategy since there are separate action plans for these strategic documents (PIFC action plan and PFM action plan), which will be concurrently implemented and which have been already harmonized with the Strategy 2016–2020.

¹⁹⁰ Council of the EU, Joint Conclusions of the Economic and Financial Dialogue between the EU and the Western Balkans and Turkey, Brussels, 25 May 2016, pp.6–7.

Table 36. Overview of the short-term and long-term strategic measures under the PAR strategy 2016-2020

AREAS	SHORT-TERM 2016–2017	LONG-TERM 2018–2020
1. ORGANIZATION AND RESPONSIBILITY IN PA SYSTEM	<ul style="list-style-type: none"> - Functional and financial analysis (state authorities, especially integration of inspectorate; analysis of the status of certain organizations exercising public power) - Strengthen HR capacities of the administrative inspection - Single information system (SIS) for Administration for Inspection Affairs which supports inspection supervision procedure - Strengthen managerial responsibility at the level of middle management in the state administration authorities (indicators, monitoring) 	2018-2020 - <u>Reorganization (optimization)</u> on the basis of the analysis conducted (including organizations exercising public power, changes of legislation)
2. SERVICE DELIVERY	<ul style="list-style-type: none"> - Implementation of the Law on Administrative Procedures (all activities) and Law on Administrative Disputes; Harmonize special regulations with the new Law on Administrative Procedures; regular measurement of citizens' satisfaction with the delivery of services - Activities on the establishment of the Single Information System for electronic data exchange between the national authorities and state administration (SISEDE), with full interoperability of registers - E-government—office operations – implementation of e-DMS in all ministries and in the General Secretariat of the Government of Montenegro (Stage I) - Increase of number of e-services, including e-participation, as well as measurement of users satisfaction 	<p>E-government—office operations – implementation of eDMS - Stage II, in other administration authorities</p> <p>Further development of number of e-services</p>
3. CIVIL SERVICE SYSTEM AND HRM	<ul style="list-style-type: none"> - Activities on the strengthening of the professional capacities of the heads of authorities and senior management (competences) - Activities on increasing competition and reducing discretion when making decisions on the selection of candidates, including introduction of electronic testing of candidates in public tenders; changes to LCSSE and by-laws - Enhanced HRM and establishment of effective monitoring and downsizing system and for measuring the quality of their work (HR planning, Central Personnel Records, inspection measures for promptly entering data into the CPR; training) - Determining target values for downsizing in state authorities (establish downsizing criteria and methodology, conduct analysis) 	<p>Conduct selection procedures for the heads and senior management in accordance with the established framework of competences</p> <p>Implementation of the determined target values for downsizing in state authorities; Monitoring of the implementation of the downsizing plan</p>

	<ul style="list-style-type: none"> - Introduction of a system for better management and control of salaries – creation of software for connecting CPR with the records of the salaries in MF; training 	Introduction/implementation of a system for better management and control of salaries
4. DEVELOPMENT AND COORDINATION OF PUBLIC POLICIES	<ul style="list-style-type: none"> - Establishment of a “managing-for-results system” (methodology, procedures, changes of RoP of the government, strengthening of the General Secretariat of the Government, ministries; adopt annual programmes based on the new methodology; training) 	Establishment of the new information system for planning and reporting
	<ul style="list-style-type: none"> - Prepare and adopt the Government Work Programme for 2017–2020 	
	<ul style="list-style-type: none"> - Strengthening of the use of analytical tools for drafting of legislation and better quality of consultation among stakeholders when drafting policies (public debates, cooperation with NGOs; changes of related decrees; trainings) 	
	<ul style="list-style-type: none"> - Introduction of full RIA, publishing of the final RIA report with proposed legislation, Review the RIA Manual 	Conduct the assessment of the implementation of the full RIA; Analysis of implementation of the “Regulatory Guillotine”
6. SPECIAL ISSUES RELATED TO LOCAL SELF-GOVERNMENT SYSTEM	<ul style="list-style-type: none"> - Local self-governments – amendment of legislation (in line with the LCCSE) 	Tighten and rationalize the criteria for the establishment of new municipalities (more binding and more stringent)
	<ul style="list-style-type: none"> - Analysis on possible areas and mechanisms of co-operation between local self-government units and funding sources, analysis of needs for legislation changes, trainings, incentives and the work of the Network of Municipal Project Managers 	Downsizing / Optimization/ in local self-government units with the setting of downsizing target values until 2020 (2018–2020)
	<ul style="list-style-type: none"> - Development of a single IS for administering real estate taxes 	
7. STRATEGIC MANAGEMENT OF PAR PROCESS AND FINANCIAL SUSTAINABILITY	<ul style="list-style-type: none"> - Increase the administrative capacities of MOI for management and coordination of PAR Strategy; Establish a separate methodology for all PAR Strategy indicators; monitoring and annual reporting to the government 	Conduct interim evaluation of PAR Strategy and the Public Financial Management Reform Programme

The priority objectives of the Public Finance Management Reform Programme 2016–2020¹⁹¹ are defined and grouped into the following areas of reform: 1) Sustainable fiscal framework, planning and budgeting of public spending (in order to strengthen MTBF, budget programming and transparent capital budgeting); 2) Execution of the budget (with a special focus on further fiscal reforms, an electronic public procurement system and transparent reporting on public debt management); 3) Development of the system of public internal financial control (PIFC) in order to achieve better management and control of budgetary expenditure, including verification and protection measures, as well as managerial responsibilities; 4) Financial reporting and accounting in line with international standards;

¹⁹¹ The Public Finance Management Reform Programme 2016–2020, p. 15.

and 5) The capacity of the State Audit Institution to meet the standards of INTOSAI.¹⁹² The main measures linked with the PAR AP are presented in Table 37:

Table 37. Overview of the strategic measures within the PFM Strategy of Montenegro for 2016–2020

I. Sustainable fiscal framework, planning and budgeting of public spending (in order to strengthen MTBF, budget programming and transparent capital budgeting);
1. Medium-term budgetary framework, including fiscal strategy
1. Preparation and adoption of the fiscal strategy <ul style="list-style-type: none"> • Preparation of the fiscal policy measures plan in the case of deviation of the main fiscal aggregates from the levels specified with numerical fiscal rules • Training for the medium-term budgetary planning process • Preparation of Guidelines for better connection between strategic goals of the government with the goals of the budget's programmes • Establishment of the standard (minimum request and quality level) for preparation of sector strategies • Enhanced planning and presentation of multiannual commitment in the budget • Further development of IT support for (medium-term) budget planning
2. Preparation of the annual budget
<ul style="list-style-type: none"> • Gap analysis of current legislation and procedures in the budget policy area, and improvement of national legislation for an efficient budget programming process • AP for implementation of programme budget, with detailed measures • Preparation of manuals for programme budget development, with performance indicators of programmes and sub-programmes • Training, further development of IT for budget programming • Improve the transparency of the budget through its better visualization
3. Preparation of the capital budget
<ul style="list-style-type: none"> • Improve capital budget planning within the medium-term budget planning process • Introduction of phases in capital projects into the process of preparation and planning of the capital budget (preparation phase and construction phase of the projects) • Detailed presentation of capital budget projects, including their economic classification • Improve the capital budget justification in the section showing the total estimated value of the project and the timeframe for completion of the project • Training; further development of IT support
II. Execution of the budget (with special focus on further fiscal reforms, electronic public procurement system and transparent reporting on public debt management);
1. Collection of budget revenues
<ul style="list-style-type: none"> • Further improvement of the efficiency of services to taxpayers in the execution of fiscal obligations, through capacity development and improvement of the existing systems • Strengthening the administrative and institutional capacity of the Tax Administration (VAT); • Upgrading the capacity of the Tax Administration and IT systems in the area of risk analysis inspections (e-control)

¹⁹² Future activities will be focused on strengthening human resources management in the SAI and improving the professional skills of audit staff. Activities will include the strengthening of audit capacities to perform different types of audits, especially financial and performance audits, aligned with the International Standards of Supreme Audit Institutions (ISSAI).

2. Public procurement system
<ul style="list-style-type: none"> • Further harmonization of legislation with the EU acquis • Training, including training materials • Public awareness campaigns; e-public procurements
3. Reform of the Department for Public Debt Management in the MoF (reorganization, training, new IT solutions, gap analysis of the Strategy for Public Debt Management, etc.)
<ul style="list-style-type: none"> • Reorganization, training, new IT solutions, gap analysis of the Strategy for Public Debt Management, etc.

An overview of the optimization measures and their effects in Montenegro

A very important part for our analysis is an overview of measures related to short-term and long-term optimization measures i.e. **rightsizing measures**, as well as estimation of their effects (estimated for the short term, since the rightsizing initiative has been happening in the region only in recent years). As is case in other ReSPA beneficiaries, the selection of optimization measures is developed based on regional and EU experiences and strategic PAR documents.

Bearing in mind the number of state employees (26.1% or 7,250 per 100,000 inhabitants) and the proportion of compensation for employees of GDP (10.6%) in Montenegro, the focus of the measures should be both on **HRM and organizational efficiency**, and on **budgetary measures** linked with the number of employees in the state administration.

Table 38. Overview of the measures implemented within the PAR process in Montenegro: Budget and HRM

Short-term measures	Modalities	Comment
	1. Reduction of salaries and other elements of compensation for work (bonuses or other payments over salaries)	Annual budget planning and execution for salaries; with the government decision for fees
	2. "Freezing" of vacancies (according to the Act on Systematization)	Through the annual budget for salaries in some authorities
	3. Reduction of job-related costs (travel, telephone...)	Implemented in continuity since the beginning of the economic crisis
	4. Fully implement the Law on the Budget and Fiscal Responsibility (related to items 5 and 6)	After the parliamentary election (16 October 2016) – responsibility of the new government
	5. Adoption of the Fiscal Strategy 2017–2020 (to outline the main fiscal objectives to be achieved in the medium term and it is the basis for the planning of medium-term and annual policies);, the government adopts on an annual basis the Fiscal Policy Guidelines, based on the Fiscal Strategy	The First Fiscal Strategy should be adopted by December 2016 The Fiscal Policy Guidelines are to be adopted annually for a three-year period, and are to contain: the medium-term strategic objectives of economic and fiscal policy, basic macroeconomic and fiscal indicators and
	6. Introduction of programme budgeting in line with the best international practice: - development a detailed programme structure of budget users , define the objectives of the programme and create performance indicators or other methods measuring the results of meeting programme objectives	

1. Budgetary measures¹⁹³ – measures for the reduction of employment costs (direct and indirect) – PFM and PAR strategy	<ul style="list-style-type: none"> - strengthening of capital budgeting (improvement of the project structure, description, reporting and status of projects implementation) - strengthening of professional capacities for programme budgeting 	projections, spending ceilings, level of gross wages and other personal earnings, expenditure on pension and disability insurance, and other expenditure for social protection.
	7. Development of a stronger medium-term budgetary framework /MTBF/ begun by identifying specific sectoral budget limits for all ministries in the instrument for medium-term budgetary planning, i.e. Guidelines for Macroeconomic and Fiscal Policy ; sector plans should be related to medium term financial planning	
	8. Strengthening Budget execution and improvement of transparency of budget through the better visualization	In PFM programme
	9. Improvement of resources for better management of EU funds	
	10. Cutting the government's discretionary spending	PFM – transparency of the budget
	11. Introduction of costing of medium-term sector strategies (estimation of implementation costs); and improve the quality and implementation rate of sector strategies (including the PAR strategy, as a horizontal one)	In PFM programme
	12. Training for staff related to medium-term financial planning based on “top-down” principle	
	13. Adoption of the plan of fiscal policy measures of the level of deficit during the fiscal year (if needed) ¹⁹⁴	
	14. Measures related to raising Budget revenues (Strengthening capacities and conducting training of the Tax Administration for better tax revenue collection; implementation of measures against the grey economy, removing of administrative barriers for the implementation of tax legislation, etc.)	
	15. Strengthening the system of electronic public procurement system	
	16. Transparent reporting on public debt management	
	17. Strengthening the PIFC	
	18. Transparent financial reporting and accounting	
	19. Strengthening the capacities of the SAI to fulfil all INTOSAI standards	

¹⁹³ The budgetary measures in Table 38 are extracted from the PFM reform programme 2016–2020, pp.15–42.

¹⁹⁴ If the level of deficit during a fiscal year exceeds the limit set forth under Article 20, paragraph 1, item 1 of the Law on the Budget and Fiscal Responsibility (the level of the budget cash deficit of the General Government should not exceed the level of 3% of GDP at market prices), the government shall submit to the parliament a proposal of measures for the deficit reduction, within 60 days of the day of the established deviation.

2. Public-sector downsizing i.e. optimization of public sector through HRM and HR planning	1. Technological redundancies in some state institutions	Only through HR plan
	2. Termination of employment and right to severance payments	As downsizing measures (Article 13242 of LCSSE for public servants, and Law on Labour for other parts of public sector ⁴³)
	3. Reduction of the number of employees in management positions	Only through HR plan
	4. Reduction of the number of positions (work places)	HR plan, i.e. through changes to the Systematization Act
	5. Replacement rate of employees leaving the state institution	Only as a recommendation; more an indicator than a measure
	6. Maximum number of employees in each institution/ ministry	Indirectly, through HR plan, and without prioritization in downsizing
	7. Removal of some positions from the Rulebook on internal organization and systematization of jobs	HR plan, i.e. through changes of the Systematization Act
	8. Establishment and maintenance of the internal labour market records	Through HR plan (Articles 37–39 of LCSSE)
Modalities of long-term strategic measures		Comments
1. Possibilities of professional training and development as solution and support for transferral to another sector		Through the Professional training and development programme (article 116 of the LCSSE), through obligatory trainings
2. Centralization of support services (financial, HR...)		For HR – through HRMA, as central institution for HRM; not so for financial services
3. Centralization of IT management		Via Ministry of Information Society and Telecommunications, not fully realized yet
4. Increased use of e-government (on-line services)		Continuously
5. Release of civil servants if a certain job is no longer required (provision of technological redundancy and on the transfer to another job)		Through HR plan and internal labour market
6. Outsourcing		For specific functions
7. Increasing of the number of working hours per year for teachers (in education sector)		In higher education in the state university
8. Structural and organizational reforms (reorganization of state agencies and reduction of their number, reduction of management levels)		Law on State Administration

¹⁹⁵ If a civil servant and/or state employee during the availability period is not reassigned, his/her employment shall be terminated by operation of the law upon the expiration of the availability period. He/she will be entitled to severance payments in accordance with the law regulating the wages of civil servants and state employees.

¹⁹⁶ The severance payments, in accordance with the agreement on salary policy, are financed from the Budget of Montenegro (for the period 2012–2015).

9. Decentralization of the delegation of certain functions to local authorities	Through relevant functional analysis and legislative changes
10. Reduction of operational budget of ministries, agencies and independent state institutions	Through relevant analysis and planning
11. Planning of the labour force – planning of the numbers and definition of key skills and competencies of employees in line with the mission, competences, responsibilities and strategic goals to be achieved each year, as well as in line with available financial resources)	Through HR plan
12. HRM reform (move on contracts for most of the employment, focus on results as base for salaries and career development, defining the system of remuneration)	Through relevant analysis and legislative changes
13. Labour force mobility, particularly when it comes to job cuts, restructuring and merger of different institutions	Through relevant analysis and legislative changes
14. Improvement of the system for management of public policies of the government (planning, analysis, creation, adoption, monitoring and evaluation and coordination)	Through relevant analysis and legislative changes
15. Improvement of financial and budget information, commitment control and arrears	Through legislative changes
16. Improvement of the overall system of coordination and cooperation with civil society organizations	Through legislative changes

Regarding the effects of the implemented measures, the main (future) expectations are in the HRM, improving efficiency, productivity and quality of the services delivered, as well as in PFM measures (strategic and budget planning).

Table 39. Effects on implemented (planned) measures defined in PAR strategy 2016–2020 and AP 2016–2017 in Montenegro

	Areas	Yes/No	Comment
1	On public-sector downsizing	No	Very small effect for the time being
2	On improvement of HR planning	Yes	HR plan developed
3	On planning improvement and standardization of public sector pay policy, in line with the fiscal capacity of the economy;	Yes	Ongoing activities
4	On improving efficiency, productivity and quality of service delivery	Yes	Continuous work
5	On strategic and budget planning, i.e. reduction/alignment of budget expenditures	Yes	The first phase, ongoing activities

Strategic budget planning is related to the implementation of the recently adopted PFM strategy. In that context, the key EC recommendations are the following:

- to stabilize **the debt-to-GDP ratio** and take immediate measures to **restrain current spending, including pensions and the public-sector wage bill**,
- To generate budgetary savings and improve revenue collection, conduct **a comprehensive review of tax expenditure as well as exemptions**, and implement a tax increase in a growth-friendly manner¹⁹⁷.

¹⁹⁷ Other recommendations are to: Develop **a comprehensive strategy to further foster the disposal of non-performing loans by banks**, including participation by all relevant stakeholders, while establishing a bank lending survey to better gauge the underlying credit dynamics; Ensure effective, efficient and

2.5. Serbia

The PAR Strategy together with the Action Plan **for its implementation for the period 2015–2017**¹⁹⁸ provides the necessary targets, principles and directions of the overall reform of public administration and conditions for the realization of respective measures and activities in different areas and issues of general interest for the state and the society as a whole, above all those related to: improvement of organizational and functional subsystems of public administration; establishment of a harmonized merit system of public service and improvement of human resources management; improvement of public finance and public procurement management; upgrading of legal security and improvement of business environment and quality of public service; increasing of transparency, improvement of ethical standards and responsibility in the performance of public administration and strengthening of monitoring mechanisms in public administration.

The Action Plan for the Implementation of the Public Administration Reform Strategy in the Republic of Serbia, 2015–2017 operationalizes the PAR Strategy and defines the measures, results and activities for the implementation of the public administration reform. This document covers all the relevant areas of optimization and considers the contextual limits, in particular regarding the needs of fiscal consolidation and Serbian accession to the EU. It is in line with the other strategic documents relevant for the specific areas of optimization.

Table 40. Overview of strategic measures under the PAR strategy Action Plan 2015–2017

Specific objectives	Measures
1. Improvement of organizational and functional subsystems of public administration	1.1 Organizational and functional restructuring of the public administration implementation by 2017 of factually based measures for optimization of the public administration in terms of the number and suitability of the institutions, the number of employees, work processes and organizational structures with the creation of a strong analytical basis for these processes
	1.2. Improvement of decentralization and de-concentration of the state administration by enhancing the analytical and strategic framework by the end of 2017
	1.3 Improvement of the system of management of public policies of the government (planning, analysis, creation, adoption, monitoring and evaluation, and coordination) by establishing by 2017 a legal and institutional framework for integrated strategic management and adoption of the medium-term plans of public administration bodies harmonized with the strategic priorities of the government and the programme budget
	1.4 Establishment of a strategic framework for the development and harmonization of the functioning of information systems and infrastructure of state bodies, autonomous province bodies and local self-government units and public services

independent regulatory and safety authorities to implement **the full opening of railway and energy markets**; Continue to facilitate the provision and range of **financial and non-financial support services for SMEs** with a view to fostering participation in global value chains; Support the development of the private consultancy market; Prolong working lives and reduce disincentives to work through **strengthening the link between activation measures and social assistance**, in order to improve the labour market participation of the long-term unemployed, women and young people; Implement strategies to align education and skills policies with labour market needs; Implement the NPL action plan (to reduce non-performing loans, i.e. risks to financial stability and the real economy) and obligations arising from the Energy Community Treaty, as well as to increase the coverage of active labour market policies and the reduction of undeclared work. (Council of the EU, Joint Conclusions of the Economic and Financial Dialogue between the EU and the Western Balkans and Turkey, Brussels, 25 May 2016).

¹⁹⁸ **Action Plan for the Implementation of Public Administration Reform Strategy in the Republic of Serbia, 2015–2017**, OG RS No. 31/15.

2. Establishment of a compliant public-service system based on merits and promotion of human resource management	2.1. Establishment of a harmonized system of labour relations and wages in the public administration based on the principles of transparency and fairness
	2.2. Development of strategic Human Resources Management function in public administration
	2.3. Development and harmonization of the basic functions of human resource management for expanding the system of public administration
3. Improvement of public finances and public procurement management	3.1 Preparation of the Public Finance Reform Programme
	3.2 Improvement of the process of planning and preparation of the budget
	3.3 Improvement of the financial management system and control of the use of public funds and internal revision
	3.4 Functional improvement of budget inspection work
	3.5 Improvement of the public procurement system
4. Increase in legal security and improvement of the business environment and the quality of public services	4.1 Improvement of the legislative process within a wider system of management of public policies of the government
	4.2 Improvement of administrative procedures and the provision of law enforcement and government administration bodies and organizations of public administration in deciding on rights, obligations and legal interests of citizens and other subjects in accordance with the principles of good governance
	4.3 Reform of inspection supervision and ensuring better protection of the public interest, while reducing the administrative costs of inspection and increasing the legal security of inspection control subjects
	4.4 The introduction and promotion of mechanisms which ensure the quality of public services
5. Increasing citizen participation, transparency, promotion of ethical standards and responsibility in the performance of public administration	5.1 Improvement of conditions for the participation of the concerned public in the work of public administration with an increase in the availability of information on the work of the public administration and public finances
	5.2 Strengthening of the integrity and ethical standards of employees in public administration and a reduction of corruption
	5.3 Strengthening of the mechanisms of external and internal public administration control

The PFM Reform is acknowledged as one of the key pillars of the Public Administration Reform (PAR) in the Republic of Serbia and is, as such, embedded in the PAR Strategy and the Action Plan on Implementation of PAR Strategy 2015–2017. The PFM Reform Programme 2016–2020 complements the PAR Strategy by further detailing the objectives and activities within the PFM pillars, while representing a PAR Action Plan activity itself at the same time. It also sets the strategic framework for the Public Internal Financial Control Policy Paper, in line with the EU accession requirements addressed in negotiation-related documents in connection to Chapter 32 on Financial Control.

The aim of the PFM Reform Programme 2016–2020 is to provide a comprehensive and integrated framework for the planning, coordinating, implementing and monitoring of progress in the implementation of a set of sustainable actions to improve macro fiscal stability, to ensure efficient and effective allocation and use of public resources and to improve service delivery by the Serbian public administration, whilst at the same time improving transparency and overall functionality of the PFM and fulfilling the necessary requirements for European Union (EU) accession.¹⁹⁹ Table 41 provides an overview of the selected measures as well as the medium- and long-term activities that are most relevant for the purposes of this study.

¹⁹⁹ PFM Reform Programme 2016–2020, p.5. <http://www.mfin.gov.rs/pages/article.php?id=10652>.

Table 41. Overview of the strategic measures within the PFM Reform Programme 2016–2020

MEASURE	Medium-term activities 2016–2017	Long-term activities 2018–2020
TO IMPROVE THE COVERAGE OF THE NATIONAL BUDGET		Gradual and systematic inclusion of own sources and budget beneficiaries into the national budget; Gradual and systematic inclusion of donor assistance into the national budget and budget execution documentation
TO FURTHER IMPLEMENT A MULTIANNUAL PROGRAMME BUDGETING ACROSS ALL LEVELS OF GOVERNMENT	Procurement and customization of software for the management of public finances, which connects planning, execution and control; Customization of software for the management of public finances in order to ensure the appropriate interface with the module for Public Policy Planning Process analysis, monitoring and control of programme budgeting and identify recommendations for improvement; Improving the methodology of the programme budget and preparation of the new guidelines in accordance with the recommendations; Conducting training for civil servants to improve the programme budget; Implementation of the budget cycle for 2017 in line with the improved methodology.	
TO IMPROVE CAPITAL PROJECTS PLANNING	Evaluation of proposed public investment projects by budget beneficiaries and drafting an implementation plan Monitoring the implementation of approved capital projects and proposing measures to improve the planning and implementation of public investment project Harmonization of procedures for planning, evaluation and selection of all capital projects regardless of the source of financing (national and local budgets, EU funds and other sources) and reporting	
TO IMPROVE BUDGET PLANNING		Develop methodologies for medium-term baseline estimates and costing of new policies, set up the legislative framework and provide training; Improved coordination and alignment of planning and programming of external assistance with the Budget Calendar; Improved coordination and alignment of budget planning and execution of budget beneficiaries through compliance and alignment with the Methodology for Medium-Term Institutional Planning.

TO IMPROVE THE OPERATIONAL CAPACITIES FOR PUBLIC INVESTMENT COORDINATION AND BUDGET PLANNING	<p>Implement an institutional strengthening process of the Budget Department, and increasing its staff to increase its operational capacity and performance on budget preparation and coordination, on monitoring budget execution and in compiling detailed budget execution reports;</p> <p>Implement an institutional strengthening process of public administration bodies (ministries and their departments/administrations/ inspectorates, special organizations and governmental services) for conducting necessary analysis, planning and budgeting by introduction of analytical and planning units.</p>	
TO IMPROVE THE CAPACITIES FOR PUBLIC DEBT MANAGEMENT	<p>Procurement, design, customization and implementation of software for the public debt management including an appropriate model to improve public debt risk management, scenario analyses, stress tests and other relevant analyses;</p> <p>Development and implementation of the methodology for carrying out long-term public debt sustainability analyses;</p> <p>Preparation of documentation and implementation of legal framework for finance;</p> <p>Strengthening the capacity and preparation of legislation related to the assets under management;</p> <p>Monitoring of projects loans – establishment of new system.</p>	<p>Creating and implementing the new organization of the primary government securities market by introducing the primary dealers system;</p> <p>Conducting training for civil servants to improve the human capacity of the Public Debt Administration.</p>
TO IMPROVE THE COVERAGE AND QUALITY OF BUDGET EXECUTION REPORTING	<p>Analyse and align in-year reporting requirements and practice with best practices for budget transparency.</p> <p>Review and modify the reporting details used for in-year and year-end budget execution reports (including reporting on programme budget execution when applicable);</p> <p>Prepare and publish a consolidated report on Public Enterprises;</p> <p>Issue a circular reminding all budget users of their responsibility to record contracts as they are signed on the RINO and FMIS systems;</p> <p>Review and strengthen the penalty arrangements for failure to implement prescribed financial controls;</p> <p>Extend the RINO system to include public-to-public transactions, and harmonize the coverage and definitions</p>	<p>Extend the coverage of the FMIS system on a step-by-step basis to IBBs, including them in the accounting and reporting framework as they are brought into the system;</p> <p>Develop and fund a treasury-developed roll-out plan to ensure that IBBs have sufficient Information and Communications Technology (ICT) hardware, training and oversight arrangements to operate in the FMIS;</p> <p>Gradual systematic extension of financial monitoring and reporting of Public Enterprises to the maximum possible extent.</p>

An overview of the optimization measures and their effects in Serbia

Table 42 and Table 43 show an overview of the measures related to short-term and long-term optimization measures i.e. rightsizing measures, as well as an estimate of their effect (estimated for the short term, since the rightsizing initiative has been happening in the region only in recent years) separately for Serbia.

The data on the implemented measures, as well as the estimate of short-term rightsizing

effects, are collected from PAR AP reports and the Questionnaire shared with the ReSPA liaison officers from Serbia.

Bearing in mind the number of state employees (25.1% and 7,048 employees per 100,000 inhabitants) and the proportion of compensation for employees of GDP (10.6%) in Serbia, the focus of the measures should be on the HRM measures, improving the efficiency, productivity and quality of services delivered, as well as on PFM measures.

Table 42. Overview of measures implemented within the PAR process

Short-term measures	Modalities	Comments
Public-sector downsizing (Budget and HRM)	"Freezing" of employment	On the basis of the Law on Budget System and Law on the method of determining the maximum number of employees in the public sector
	Technological redundancies in some state institutions	On the basis of the Law on the method of determining the maximum number of employees in the public sector
	"Freezing" of vacancies	Through the annual budget for salaries
	Incentives for early retirement for employees of a certain age	Implemented in continuity since the beginning of the economic crisis
	Voluntary leaving of jobs in certain sectors	On the basis of the Law on the method of determining the maximum number of employees in the public sector
	Reduction of number of positions (work places)	On the basis of the Law on the method of determining the maximum number of employees in the public sector and the Government Decision on the maximum number of permanent employees for 2015
	Maximum limit on number of employees in each institution/ministry	On the basis of the Law on the method of determining the maximum number of employees in the public sector and the Government Decision on the maximum number of permanent employees for 2015
	Removal of some positions from the Rulebook on internal organization and systematization of jobs	On the basis of the Law on the method of determining the maximum number of employees in the public sector and the Government Decision on the maximum number of permanent employees for 2015
	Establishment and maintenance of the internal labour market records	On the basis of the Law on the Registry of employees, elected, nominated, appointed and persons engaged in public fund beneficiaries
Other short-term measures for reduction of employment costs (Budget and HRM)	Reduction of salaries and other elements of compensation for work (bonuses or other payments above salaries)	On the basis of the Law on the Temporary editing base for the calculation and payment of salaries, wages and other regular income in public funds (10% reduction)
	"Freezing" of salaries in public administration	Through the annual budget for salaries
	Unpaid leave	As a possibility on the personal request of the employee
	Reduction of training budget	Through the annual budget
	Reduction of job-related costs (travel, telephone...)	Through the annual budget

Organizational efficiency and effectiveness and the decision-making process	Systemic functional analysis of the overall public administration system to detect any deficiencies in the organizations and provide recommendations	On the basis of the PAR strategy Action Plan 2015-2017
	Strategic effectiveness analysis for selected public administration authorities (e.g. the General Secretariat of the Government, HRMS)	On the basis of the PAR strategy Action Plan 2015-2017
	Horizontal functional analysis (including the analysis of functions, organization and employees in all ministries and state administration bodies, and in other national-level authorities and organizations that are formally outside the state administration system but carry out related tasks, and the vertical functional analyses, as well as the provision of public services) and the analysis of the mechanisms for coordination between the central and local governments	On the basis of the PAR strategy Action Plan 2015-2017
	Improvement of the internal organizational structure of public administration authorities – adoption of new rulebooks on internal organization and the systematization of jobs	On the basis of the PAR strategy Action Plan 2015-2017
	Improvement of administrative procedures and control – adoption of the new legal framework	On the basis of the PAR strategy Action Plan 2015-2017
	Improvement of e-government – adoption of strategic and legal framework	On the basis of the PAR strategy Action Plan 2015-2017
	Action Plan for the Implementation of the Government Programme Based on the Priority Activities of the Government in its Mandate Period comprising of the identified medium-term strategic goals and corresponding measures and activities for their implementation	On the basis of the PAR strategy Action Plan 2015-2017
	Creation of an integrated IT solution which would interconnect the planning and budgetary processes and facilitate the plans and budget-execution-based reporting	On the basis of the PAR strategy Action Plan 2015-2017
	Reformulation of the Instructions for Preparing the Government Operational Plan for 2015 in order to ensure prioritization in the state institutions' work and on the occasion of preparing the Government Operational Plan for 2015 (all the ministries were requested to plan based on the goals, measures, and activities which they identified within the process of preparing the Action Plan for the Implementation of the Government Programme, Programme Budget and National Programme for Adoption of the EU acquis)	On the basis of the PAR strategy Action Plan 2015-2017
	Establishment of a strategic and legal framework for public policy system management	On the basis of the PAR strategy Action Plan 2015-2017

Long-term strategic measures	Comments
1. Possibilities of training and requalification as a solution and support for transferral to another sector	Improving the legal and institutional framework for professional development
2. Increased use of e-government (on-line services)	Continuously
3. Release of civil servants if a certain job is no longer required (provision of technological redundancy and transfer to another job)	Through the HR plan and internal labour market
4. Outsourcing	For specific functions
5. Structural and organizational reforms (reorganization of state agencies and reduction of their number, reduction of management levels)	Through the relevant functional analysis and legislative changes
6. Decentralization – delegation of certain function to local authorities	Through the relevant functional analysis and legislative changes
7. Reduction of operational budget of ministries, agencies and independent state institutions	Through the relevant analysis and planning
8. Planning of labour force – planning of numbers and definition of key skills and competencies of employees in line with the mission, competences, responsibilities and strategic goals to be achieved every year, as well as in line with the available financial resources)	Through the HR plan
9. HRM reform (move to contracts for most of the employment, focus on results as the basis for salaries and career development, defining the system of remuneration)	Through the relevant analysis and legislative changes
10. Labour force mobility, particularly when it comes to job cuts, restructuring and merging of different institutions	Through the relevant functional analysis and legislative changes
11. Improvement of the system for management of the public policies of the government (planning, analysis, creation, adoption, monitoring and evaluation and co-ordination)	Through the relevant analysis and legislative changes
12. Improvement of financial and budget information, commitment control and arrears	Through legislative changes
13. Improvement of the system of coordination and cooperation with civil society organizations	Through legislative changes

Regarding the effects of the implemented measures, future activities should be focused on further development of all areas of the optimization process, implementation of planned measures, as well as strengthening the institutional capacity for the implementation of planned measures.

Table 43. Effects on implemented (planned) measures defined in strategy Action Plan 2015–2017

	Areas	Yes/No	Comment
1	On public-sector downsizing	Yes	Ongoing activities
2	On improvement of human resource planning	Yes	Ongoing activities (need connection with the HR plan)
3	On planning improvement and standardization of public-sector pay policy, in line with the fiscal capacity of the economy	Yes	Ongoing activities
4	On improving efficiency, productivity and service quality improvement	Yes	Continuous work
5	On strategic and budget planning, i.e. reduction/alignment of budget expenditure	Yes	Ongoing activities

Bearing in mind the economic and financial issues, despite recent improvements in this areas, the EC has recommended the following:

- Advance the reform of the public administration as envisaged. Further improve revenue collection in a systematic and business-friendly way by implementing the tax administration transformation programme;
- Step up the provision of targeted active labour market policies to facilitate in particular the reintegration of workers made redundant in the resolution of state-owned enterprises and public administration rightsizing. Increase the capacity of the National Employment Services to roll out such measures to larger numbers of beneficiaries.²⁰⁰

2.6. Kosovo

The Strategy on Public Administration Reform 2015–2020 contains the Implementation Plan 2015–2017 consisting of reform activities, indicators, responsible institutions for implementation, financial costs of implementation, etc.

Table 44. Overview of the strategic measures within the PAR Strategy AP 2015–2017

PRIORITY AREA	SPECIFIC OBJECTIVES	ACTIVITIES/MEASURES
CIVIL SERVICE	Implementation of a new salary system for civil servants which is based on the Catalogue of jobs and classification of jobs, to be fair, transparent and based on the principle of equal pay for equal work	Harmonization of positions in KCS based on the Job Catalogue Supplementing the Catalogue with new positions and with standardized job descriptions for specific positions that are not in the Catalogue. Finalization of job classification in civil service and implementation of new salary system.
	Human Resource Management Information System (HRMIS) implemented in all civil service institutions and used by all institutions. Also, strengthening the system to monitor implementation of legislation on civil service.	Electronic integration of personal data and employment data of civil servants from physical files into HRMIS, from all institutions. Development of new Modules (Planning of Personnel, Online Application, including recruitment procedures for senior managerial levels) Linking HRMIS with the salary system and pension trust Training personnel managers and responsible officials in using HRMIS, as needed Monitoring implementation of CS legislation
	Organization and functioning of a professional and apolitical civil service. Recruitment and competitive merit-based selection and clear testing criteria. Continuous and necessary training. A performance evaluation system based on institutional and individual objectives	Amending and supplementing the Law on Civil Service in order to make the civil service better organized, more functional and apolitical. Drafting relevant bylaws deriving from the amended and supplemented Law on the Civil Service in Kosovo (LCSK) Piloting the development of testing and assessment in electronic format for promotion and recruitment in the civil service Training of personnel managers and other responsible officers of institutions on new amendments in the legislation of KCS (Personnel manager and one officer)

²⁰⁰ Council of the EU, Joint Conclusions of the Economic and Financial Dialogue between the EU and the Western Balkans and Turkey, Brussels, 25 May 2016, pp.10–11.

	Ensuring a strategic approach to civil service development and training of civil servants at all levels of public administration.	Drafting and adoption of Training Strategy for Civil Servants 2015–2019 Drafting and adoption of the Action Plan for implementation of the Training Strategy Advancing the KIPA electronic training management system Creating and development of a credit-based system for career development and mandatory training Organization of a programme of excellence in public administration Establishment of mechanisms (a system) for monitoring and training impact assessment
ADMINISTRATIVE PROCEDURES AND PA SERVICE DELIVERY	Strategic framework and policies based on thorough analysis of public administrative services thus implementing the Law on General Administrative Procedure	Identification of public administrative services delivered by PA Analysis of administrative services identified in previous reports Drafting of a political and strategic framework for delivering better services, closer to citizens and businesses
	Amended and implemented legal framework for public service delivery, administrative procedures and their quality control	Adoption of the Law on General Administrative Procedure Analysis of special procedures related to the LGAP Drafting of the manual for implementation of the LGAP Training of civil servants Raising of public awareness
	Institutional mechanisms and enhanced capacities for managing, planning, monitoring, evaluating and implementing public administration services	Analysis for reviewing MPA functions related to public administration services Revision of Regulation for internal organization of MPA Establishment of a unit (structure) responsible for managing, planning, monitoring, evaluating and implementing public administration services Developing the methodology for management of the process for assessment of public administration services
	Creating and integration of electronic systems in a progressive way based on an interoperability framework	Development of the Main Interoperability Platform (interoperation of systems) and initially the integration of seven (7) systems. Inclusion of fourteen (14) systems in the project of the Main Interoperability Platform. Inclusion of ten (10) systems in the project of the Main Interoperability Platform. Development and functionalization of the platform and Public Key Infrastructure (PKI) for officials Portal E-Kosova
	Delivering services to citizens in single points of contact (one-stop shops).	Building two pilot single points of contact Analysis of distribution of public administrative services that could be delivered through single points of contact
	Continuous information of citizens on development and delivery of public services, on their rights and how these can be exercised.	Publication of the list of administrative services, duration, criteria and costs for their delivery Publication of contact data for each institution and for the person who is responsible for delivering the respective public administrative service

	Defining mechanisms and instruments to measure public opinion concerning the quality and accessibility of public services.	Placing boxes for collecting opinions in all IRKs on delivered services. Drafting the legal framework to regulate the ways and standards for collecting opinions Assessing opinions through other ways (TI, mobile, classical, etc.) Opinion analysis and reporting
ORGANIZATION OF PA AND ACCOUNTABILITY	Strengthening the system to monitor implementation of principles of ethics and integrity in public administration	Establishment of the monitoring system Training and developing capacities for the persons responsible for monitoring principles of ethics and transparency in PA Monitoring the implementation of code of ethics in the civil service
	Enhancement of mechanisms for access to public documents and information.	Creating a database of requests for access to public documents and information Creating a list of the information that institutions are required to publish on their websites Drafting of a concept paper on policies for access to public documents Supplementing the legal framework on access to public documents Monitoring the implementation of permissions to access public documents
	Public authorities to create mechanisms that take responsibility for debts in case of violations and which guarantee adequate correction and/or compensation.	Drafting and approval of concept paper on the responsibility of AP

An overview of the optimization measures and their effects in Kosovo

As is the case in other ReSPA beneficiaries, the selection of optimization/rightsizing measures is developed based on regional and EU experiences and strategic PAR documents. Bearing in mind the number of state employees (23% and 4,531 per 100,000 inhabitants) and the proportion of compensation for employees of GDP (8.7%) in Kosovo, the focus of the measures should be more on **HRM and organizational efficiency**, and less on **budgetary measures** linked with the number of employees in the state administration. At the same time, an increase in the level of registered employment should improve the validity of all the relative indicators for Kosovo.

Table 45. Overview of the measures implemented within the PAR process in Kosovo: Budget and HRM

Short-term measures	Modalities	Comment
Public-sector downsizing	"Freezing" of employment	In accordance with the relevant regulations
	Technological redundancies in some state institutions	
	Voluntary leaving of jobs in certain sectors	
	Replacement rate of employees leaving the state institution	
	Maximum limit for number of employees in each institution/ministry	
Other short-term measures for the reduction of employment costs	Reduction of salaries and other elements of compensation for work (bonuses or other payments above salaries)	
	Unpaid leave	
	Reduction of job-related costs (travel, telephone...)	

Long-term strategic measures	Comment
1. Centralization of support services (financial, HR...)	Through the relevant regulations
2. Centralization of IT management	
3. Increased use of e-government (on-line services)	
4. Centralization of public procurement and real estate management	
5. Release of civil servants if a certain job is no longer required (provision of technological redundancy and transfer to another job)	
6. Outsourcing	
7. Decentralization – delegation of certain function to local authorities	
8. Reduction of operational budget of ministries, agencies and independent state institutions	
9. Planning of labour force – planning of numbers and definition of key skills and competencies of employees in line with the mission, competences, responsibilities and strategic goals to be achieved every year, as well as in line with the available financial resources)	
10. Human resource management reform (move to contracts for most of the employment, focus on results as the basis for salaries and career development, defining the system of remuneration)	
11. Improvement of the system for management of public policies of the government (planning, analysis, creation, adoption, monitoring and evaluation and coordination)	
12. Improvement of financial and budget information, commitment control and arrears	
13. Improvement of the system of coordination and cooperation with civil society organizations	

Regarding effects of the implemented measures, main (future) expectations are in the HRM, improving the efficiency, productivity and quality of services delivered, as well as in PFM measures (strategic and budget planning).

Table 46. Effects on implemented (planned) measures defined in PAR strategy and AP²⁰¹

	Areas	Yes/No	Comment
1	On public-sector downsizing	No	
2	On improvement of human resource planning	Yes	Through the PAR Strategy and relevant regulations
3	On planning improvement and standardization of public-sector pay policy, in line with the fiscal capacity of the economy	Yes	
4	On improving efficiency, productivity and service quality improvement	Yes	
5	On strategic and budget planning, i.e. reduction/alignment of budget expenditures	Yes	To develop PFM

Strategic budget planning is related to development and adoption of the **PFM strategy**. In that context, the key EC recommendations are the following:

- In order to improve the forecasting accuracy, enhance the technical capacities of the services preparing the **macro fiscal framework**, strengthen parliamentary oversight capacities in evaluating **budget planning and execution**, as well as fiscal risks and take the first steps towards establishing an independent fiscal body;
- Identify offsetting measures for recent increases in categorical benefits, while preserving the level of capital spending and address persistent under-spending of the

201 Questionnaire, ReSPA Liaison officers, August 2016.

capital budget by **improving project preparation and management capacities at the central and local administration levels**²⁰².

3. Examples of implemented policy optimization measures: objectives and effects

In this chapter, we have decided to present one example of a strategic PAR document developed between two PAR (official) strategies with a special focus on **rightsizing** through HRM and budgetary measures.

Namely, in 2013 the Government of Montenegro adopted the **Plan for the internal restructuring of the public sector**, with the main goal of creating an efficient, cost-cutting and effective public sector that is built on the best international standards and practice. This so-called **sectoral approach** has been used for the preparation of the Plan to gain better insight into the current state of the public sector in Montenegro. The jurisdictions of the ministries, government bodies and other agencies and institutions under the competence of the sector (public institutions, public enterprises...), majority-state-owned companies, independent or regulatory authorities, as well as their activities and types of work in certain areas of the sector, have been taken into account in defining the sectors. The recommendations, measures and activities for public-sector reorganization cover all the areas of the public sector, i.e. a total of 15 sectors, other state institutions and local self-government. The Public-Sector Internal Reorganization Plan is aimed at achieving a double effect. In addition to the need for public-sector downsizing, it is necessary to ensure that a decreased number of employees more efficiently provide better public services to the citizens. Therefore, **the specific objectives of the Plan and its effects** are the following:

Table 47. Plan for internal restructuring of public sector in Montenegro and its effects 2013–2015²⁰³²⁰⁴

MEASURES FOR EACH POLICY	OVERALL ASSESSMENT OF THE PLAN'S GOAL ACHIEVEMENT (by 2015) ²⁰³
1. PUBLIC-SECTOR DOWNSIZING <ul style="list-style-type: none"> - Revisions of the Rulebooks on internal organization and job classification - Downsizing plan - Analysis of the existing administrative authorities/the need for the existence of all the institutions - Downsizing (quantitative indicators of the annual actions for each institution) Plan: downsizing from 58,766 in 2013 to 53,388 in 2017 – 5,378 fewer people employed in the total public sector or 9.1%)	In the period May 2013–December 2015 the total number of people employed in the public sector increased by 1,199 or 0.4% ⁴⁶ ; Out of 16 sectors, eight sectors achieved the downsizing goal; However, comparison of data for 2014 and 2015 received from the Ministry of Finance, showed changes in the trend in GG for 2015 – a small reduction of 0.2% , from 46,196 in 2014 to 45,104 in 2015.

202 Other EC recommendations for the next ERP are the following: increase financial intermediation in the economy; implement the action plan of the strategy for the fight against the informal economy; increase energy security by reinforcing the planned energy efficiency measures; and set up an action plan for tackling youth unemployment (Council of the EU, Joint Conclusions of the Economic and Financial Dialogue between the EU and the Western Balkans and Turkey, Brussels, 25 May 2016).

203 Annual report on the implementation of the Public Sector Internal Reorganization Plan for 2015, July 2016, pp.134–141.

204 From 51,323 to 52,522, or 0.4%, Annual Report 2015, p.138.

<p>2. IMPROVEMENT OF HUMAN RESOURCE PLANNING</p> <ul style="list-style-type: none"> - Analysis of the sector's activity, establishing the standards and norms and the optimal number of employees, i.e. the maximum number of employees required for the proper functioning of the authorities and institutions in the sector - Updating and maintaining the Central Personnel Records (CPR) - Establishing Internal labour market records (ILMR) based on internal announcement of position vacancies between the authorities via HRMA - Training of Civil Servants and State Employees - Assessment of employees within the time limits prescribed by law in accordance with the established criteria and standards - Develop mechanisms for rewarding and encouraging the best-rated officers 	<p>Out of 16 sectors identified by the Plan, 15 of them achieved the majority of activities related to this targets:</p> <ul style="list-style-type: none"> - HR plan was adopted - The Central Personnel Records (CPR) was regularly updated; - 83% employees in state administration are covered by CPR - Training conducted, as well as the performance appraisal system - Grading system also implemented, but should be further improved regarding transparent criteria/objective assessment
<p>3. PLANNING IMPROVEMENT AND STANDARDIZATION OF PUBLIC-SECTOR PAY POLICY, IN LINE WITH THE FISCAL CAPACITY OF THE ECONOMY</p> <ul style="list-style-type: none"> - Analysis of the comparative experiences of countries which have a unified system of wages - Amendments to the Law on Local Self-Government; Amendments to the Law on Financing of the Local self-Government, Adoption of the Law on Salaries in the Public Sector - Enhanced inspection in controlling the conclusion of the contracts on temporary and occasional jobs (as well as on overtime jobs) - Harmonization of collective agreements in the sector of public services (education, health, culture, work and social care and education) with a General Collective Agreement/ revision of collective agreements - Improvement of the legal framework for companies with majority state ownership - Decision on criteria and manner for determining the variable part of the salary of civil servants and state employees - Decision on criteria for determining the amount of remuneration for the members of working bodies or other forms of work - Decision on increasing salaries for civil servants and state employees in the performance of certain tasks - Analysis and review of the total cost of salaries in the budget planning process - Defining the annual wage policy in line with the fiscal capabilities 	<p>By adoption of the Law on Salaries, three out of five sectors implemented this target by 2015:</p> <ul style="list-style-type: none"> - Internal affairs, - Finance - Economy <p>However, education and culture have not achieved it yet</p>
<p>4. IMPROVING EFFICIENCY, PRODUCTIVITY AND SERVICE QUALITY IMPROVEMENT</p> <ul style="list-style-type: none"> - Preparation of the Analysis on the feasibility of delegating tasks and determining the activities and jobs that will be the subject of outsourcing/ Conduct public tender and contracting – outsourcing - Preparing the Situation Analysis of organizations exercising public authority - Preparation of the Draft Law on Administrative Procedure and its adoption - Training of staff who deal with administrative proceedings - Inspection control by state authorities and local government - Second phase of consolidation of inspections (Directorate for Inspections) - Second phase of consolidation of inspections – changing the Rulebook on internal organization and job classification of Inspection Administration 	<p>Out of the 16 sectors identified by the Plan, 15 of them achieved the majority of activities related to the targets:</p> <ul style="list-style-type: none"> - The Law on Administrative Procedure was adopted - The integration of inspections is in its second phase - Inspection of state bodies and local authorities has been conducted - Training of officials who deal with administrative procedures has been carried out - Training in accordance with ECDL standard has also been carried out - The number of online services on the portal of e-government has been increased

<ul style="list-style-type: none"> - Preparing the conditions for the creation of a single body to monitor the financial system - Preparation of an analysis to determine the justification for the establishment of a single regulatory authority/creating a legal framework for the establishment of a single regulatory authority - Preparation of the Law on Public–Private Partnerships - Amendment to the Law on Public Procurement; Establishment of a central body for public procurement - Preparation of the Analysis on the feasibility of delegating tasks and determining the activities and jobs that will be the subject of outsourcing. - Training of staff in accordance with the ECDL standard/ Raising the digital competence of human resources in the public sector (ECDL certificate) - Increase the number of online services on the e-government portal - Development of e-administration by means of investment in human resources - Improvement of coordination at the state and local levels regarding IS development - Improving business operations performance by using the system of electronic management of documentation 	
<p>SPECIAL MEASURES FOR EACH SECTOR</p> <ul style="list-style-type: none"> - Downsizing in the Police Directorate (Interior Sector) - Reversal of optional extras on earnings (contributions for peacekeepers) in order to reduce the share of personnel costs in the budget; Downsizing through structural and organizational reforms (Defence Sector) - Downsizing in public institutions in the Health Sector - Downsizing in educational institutions (Education Sector) - Downsizing in the judiciary, prosecution and misdemeanour authorities with the implementation of the Plan for judicial network rationalization (Justice Sector) 	<p>Downsizing realized only in the Police Directorate and Public Health institutions (two out of five sectors with this target); Education, judiciary and defence still remain.</p>
<p>TOTAL FINANCIAL EFFECT PLANNED</p> <p>The total planned saving is about €64m (2% of GDP) for the whole public sector. Mostly achieved through downsizing and related reduction of costs of salaries (about 1.7% of GDP). A reduction of employees in the public sector in the period 2013–2017 is planned from 58,766 in 2013 to 5,338 in 2017 (9.1% or 5,378 fewer employees). There is a similar level of reduction for General Government – 9%.</p> <p>Reduction of the cost for salaries in the overall public sector from 12.5% in 2013 to the level of 10.8% of GDP in 2017.</p> <p>Other measures for reduction of costs: raising of efficiency, outsourcing, single regulatory body for financial sector, centralization of public procurement in certain sectors, redundancy (severance payment) as “postponed” reduction of savings, etc.</p>	<p>Downsizing plan was not realized according to the Plan, i.e. planned dynamic.</p> <p>Number of employees in GG:</p> <ul style="list-style-type: none"> - in 2014 – 45,196 - in 2015 – 45,104 <p>In spite of this very small change in the employment trend, the Plan for downsizing was unrealistic, i.e. very ambitious, developed without any functional analysis. The whole process should be redefined including standard methodology and best practices.</p> <p>Compensation for employment in GG:</p> <ul style="list-style-type: none"> - in 2014 was 11.2% and - in 2015 – 10.6% of GDP; - data on public companies is not available

The PAR strategy 2016–2020 **incorporated** the goals of the Internal Public Sector Restructuring Plan 2013–2017 relating to the improvement of planning and standardization of public-sector wage policy, in accordance with the fiscal capacities of the economy, and

relating to the improvement of efficiency, productivity and service quality. As regards the objectives included in the Plan related to downsizing in the public sector and related to the improvement of personnel planning, these were **redefined** in the Strategy 2016–2020, due to the need for improved HRM and to establish an effective system for monitoring and limiting the number of employees, as well as to measure the quality of their work. The Action Plan for the Strategy 2016–2020 does not include the activities for implementation of PIFC and PFM strategy since there are separate action plans for these strategic documents (PIFC action plan and PFM action plan), which will be concurrently implemented and which have been already harmonized with the Strategy 2016–2020.

4. Identification of the best practices in the optimization of public administration in the Western Balkan countries

ALBANIA: Designing innovative training methods for the Albanian public administration – e-learning (e-training)

Electronic learning (e-learning) is a practical teaching method that focuses on using mainly computer-based applications and the internet. The main purpose of using the technology for learning and/or training is to reach learners at a distance, where conditions might prevent them from accessing full-time education. A significant impact on the quantity and quality parameters of training can be achieved through e-learning.

The Albanian School of Public Administration's (ASPA) Action Plan includes the digitalization of its education material, putting it on a digital platform and setting up an e-learning system.

The German-Government-funded **GIZ project: “Harmonization of Albanian economic and trade legislation with the EU acquis”** is supporting ASPA to design, develop and implement a number of e-training courses related to different chapters of the EU acquis for civil servants who are members of Inter-Institutional Working Groups (IIWG).

The main objective of these e-training courses is to provide civil servants, in the most effective and learner-centred way, with a clear understanding of EU-acquis-related topics. Effective knowledge transfer is achieved by a clear and user-friendly presentation of the materials. All they need is **a computer and internet connection**.

Advantages: 1. With e-learning, in principle all the members of IIWGs should be able to undertake any of the training courses available, without being constrained by location or time, 2. For EU-acquis-related topics, modern technology can be combined with traditional classroom teaching, and to some extent, might even replace the classroom, 3. E-learning can be initiated whenever there is a specific task to be tackled by an IIWG. Via the internet, IIWG members have the opportunity to meet people from different parts of their country or other countries entirely, 4. Tutoring can be made available whenever it is required, 5. Distance learning that blends technology and sound teaching principles can be as effective as, and sometimes better than, face-to-face instruction.

Results: The first pilot e-learning method for public administration officials is available now at ASPA, with the support of the GIZ project. This e-training course has been devel-

oped to be used by civil servants, member of the IIWGs, for preparing and updating the **Legislative Gap Analyses (LGA)**. Legislative Gap Analysis is a strategic instrument for the prioritization of legal harmonization, through which existing gaps between Albanian legislation and the EU *acquis* can be identified. This contributes to a clear understanding of approximation-related commitments and proper forward approximation work planning. For more information, follow the link (<http://134.0.35.165/moodle/>). Preparation of the Albanian administration for EU-*acquis*-related matters will remain a task for many years to come. Thus, the use of information technology in the training system is likely to facilitate the sustainability of ASPA's training²⁰⁵.

BOSNIA AND HERZEGOVINA

Bulldozer Initiative - Within the “Bulldozer Initiative” launched in 2002, numerous regulations have been repealed or amended in order to improve the business climate.

The Bulldozer Initiative in Bosnia and Herzegovina was an innovative reform methodology that successfully overcame the lack of political will and capacity at the government level through a bottom-up approach. Using an innovative grassroots and public awareness methodology, the initiative mobilized the local business community to bulldoze barriers by identifying concrete legislative changes and advocating for their adoption and implementation. By delivering fast results—50 reforms in 150 days—the initiative won the confidence of entrepreneurs and empowered them to institutionalize permanent grassroots reform committees. The force of this lobby group created political will by putting public pressure on politicians to do their part to enact the reforms. Most importantly, it carried investment climate reform through the last mile by delivering concrete, quantifiable results in all sectors of the economy. Over time, the initiative is establishing a dynamic of reform and public-private partnerships that will facilitate the tackling of more complicated structural reforms. Complementing the systemic approach and framework reform efforts of governments and international agencies, competitiveness partnerships mobilize the local business community to catalogue concrete problems across the full spectrum of investment climate concerns, pinpoint solutions, campaign for their adoption and follow up on reform implementation. The author attempts to determine the applicability of competitiveness partnerships to different settings by modelling the interactions between several key success factors, thus providing a pertinent tool for development professionals, government officials, and private-sector advocates who wish to establish a renewed implementation dynamic through this kind of result-oriented reform process. This paper—a product of the Investment Climate Unit—is part of a larger effort in the unit to communicate best practices in investment climate reform.²⁰⁶

ISCRA Project – Regulatory reforms were fostered within the framework of the ISCRA Project. In the period 2012–2014, 91 business procedures were simplified or eliminated at the state level and in entities. The ‘**Investment Climate Regulatory Advisory**’ Project (ISCRA) was designed and is being implemented by the International Finance Corporation (IFC), a member of the World Bank Group, under an Agreement with the SIDA. Its overall aims: 1. To increase the relative competitiveness of BH through reforms of the policy, regulatory institutional and operational frameworks for investment at all four levels of Government (local, cantonal, entity and national); and 2. To facilitate BH's integration into the European Union. The overall objective of the assistance: To help clients simplify and rationalize policy, regulatory, administrative and transparency barriers to investing and operating in BH. Its specific objectives: 1. To institute a more business-friendly investment climate and reduce administrative compliance costs for businesses; 2. To enhance the attraction and retention

205 <http://www.aspa.gov.al/en/publikime1/77-training-on-legislative-gap-analysis-lga-2>.

206 Herzberg B., “Investment Climate Reform: Going the last mile. The Bulldozer Initiative in Bosnia and Herzegovina”, World Bank 2004, <http://elibrary.worldbank.org/doi/pdf/10.1596/1813-9450-3390>.

of foreign investment; and 3. To improve the competitiveness of selected agribusiness value chains. Its desired results (some are mutually supporting and cut across all three areas): 1. A more 'business-friendly' investment climate and reduced compliance costs; 2. To enhance the attraction and retention of foreign investment; and 3. To improve the competitiveness of specific agribusiness value chains²⁰⁷.

Source:

MACEDONIA: Ensuring the quality of public service

Various tools for **measuring and improving the quality of services** are used by state administration bodies. User satisfaction with the quality of services is measured in a pilot project using **scoreboards** installed at public institution counters, allowing customers to press one of three buttons: satisfied, neutral or not satisfied. The pilot project results show an increasing level of user satisfaction. The quality of services is also assessed by "secret shoppers".

Another initiative is the "**Quality Barometer**" project, which enables a complex evaluation of the quality of the functioning of institutions, both internally (self-assessments) and externally (customer opinions, secret shoppers, etc.). The best institution receives a quality award from the prime minister. The number of institutions taking part in the project is increasing (nine in 2013, 13 in 2014), and the institutions are making real progress with the ratings²⁰⁸.

MONTENEGRO: E-government

The level of development of registers and digital infrastructure provides excellent opportunities for further improvements. **Key electronic registers** (central population register, business register, cadastre, etc.) have been established, but interoperability is still under preparation. There is an innovated national framework for operability, and the Law on Electronic Government specifies clear deadlines for introduction of a single information system for exchange of information among state registers.

The Ministry for Information Society and Telecommunications has established a project of e-government as an electronic **one-stop shop** for access to the services of the administration at the local and state levels, which is available at the web address www.euprava.me, which is also defined by the Law on Electronic Government. Pursuant to Article 24 of the Law on Electronic Administration, until February 2016, all the authorities are obliged, with the aim of creating opportunities for submitting **motions** through the e-government portal, to prepare an appropriate application solution for the portal concerned, to receive all types of motions, which may be submitted to that authority in electronic form. Currently **141 services** are available on the portal, of which only one is an actual one-stop-shop service. It is necessary to realize more such services in the future period (2016–2020), i.e. provide full implementation of the Law on Electronic Government. Systematic monitoring mechanism exists and shows that state authorities are not prompt enough in their submission of data as stipulated by the Law. This represents another risk to creating fully functional e-services.

The recent development of electronic government is characterized by resistance from the administration to changes, which is why the Law on Electronic Government was adopted, with the intention of enabling greater progress in this area through legislative norms. Al-

207 SIDA, Review of IFC "Investment Climate Regulatory Advisory Project" (ISCRA) in BH, 2011–2014. Final Report, June 2014.

208 SIGMA (2015) Baseline Measurement Report, The Principles of Public Administration Former Yugoslav Republic of Macedonia, OECD Publishing, Paris, p.74.

though the aforementioned law is clear in the sense that all services should be available electronically by February 2016, setting up on-line services is not progressing as previously envisaged. The concept of e-government, with the available technical and normative assumptions should be based on services required by a large number of citizens. Training courses have been planned for all institutions that will provide electronic services on the portal. Coordinators will be appointed in all institutions, whose main task will be to, in co-operation with the chief administrator (MIST), oversee and administer e-services related to that institution. The training courses are of an interactive type, with a detailed explanation of the roles recognized by the portal through the system²⁰⁹.

SERBIA: World Bank Project

Republic of Serbia Modernization and Optimization of the Public Administration Programme (P155172, signed in May 2016)

The Programme Development Objective (PDO) is to improve efficiency in public-sector employment and finances. In this context, *efficiency means the reduction of the cost of doing government business*. This will be achieved by addressing systemic weaknesses in the allocation of employees and their remuneration, streamlining and rationalizing public procurement and strengthening controls over public expenditure.

Progress towards the achievement of the objective will be measured using the following outcome indicators: PDO Indicator 1 – The share of public administration employees assigned to new pay grades as per the Law on Public Sector Employees Salary System (percentage); PDO Indicator 2 – The total number of public administration employees at or under the annual ceiling prescribed by the Law on the Ceiling on the Number of Employees (Yes/No); PDO Indicator 3 – The share of redundant public administration employees receiving redundancy payments pursuant to provisions of the Law on Ceiling on the Number of Employees, the Law on Civil Servants and the Labour Law (percentage); PDO Indicator 4 – The share of public procurement contracts within the category of public authorities over RSD 5 million in value, signed in a Fiscal Year for the borrower, in 90 days or less between the date of issuance of bidding documents and signing of the Public Procurement Contract (percentage); PDO Indicator 5 – The value of Public Procurement Contracts awarded through Framework Agreements (RSD); PDO Indicator 6 – Percentage of commitments in the budget execution system entered within the required deadline per the Law on the Deadlines for Payments in Commercial Transactions.

The Programme is structured in three key result areas:

1. **Improved Human Resource Management.** The Programme supports the development of a system for managing staffing levels and monitoring the wage bill. Key activities include: Establishment of a system of wages in the public administration; Creation of a training programme for managers in the state administration; Preparation of a consolidated list of job positions in all parts of the public administration; Creation of a training programme for employees in human resources units in state administration bodies; Development and management of the registry of employees in the public sector; Implementation of ceilings on the maximum number of staff, selective downsizing and preparation and implementation of an affordable, market-based pay and grading system in the public administration; and Preparation and adoption of bylaws for the enforcement of the Law on the Public-Sector Employees Salary System. The MPALSG is responsible for the implementation of this result.
2. **Improved Financial Management.** The Programme will support efforts to strengthen expenditure controls and supervision of the government's financial management system.

²⁰⁹ Strategy of Public Administration Reform in Montenegro 2016-2020, pp.12–13.

The Programme supports the Government's plans to: improve financial and budget information, commitment control and arrears; establish a centralized payroll system; and improve business process automation. The Treasury Administration is responsible for implementation of this result.

3. **Improved Procurement Management.** The Programme helps strengthen the public procurement system. Key activities include: Strengthening the technical capacity of officers involved in the public procurement process within contracting authorities; Preparation of procurement tools and manuals; Development of a systematic approach to measure the performance of the public procurement system; Development and implementation of Framework Agreements; Preparation and determination of the Bill on Amendments to the Law on Public Procurement; Improvement of the level of training of certified public procurement officials; Adoption of value-for-money methodology and guidelines for implementation of the "Life-cycle product cost" concept; and Further developing of the use of information and communication technology (ICT) (e-government) to enhance efficiency in procurement. The Public Procurement Office is the leading agency responsible for implementation of this result²¹⁰.

KOSOVO: UNDP support – Study tour of the Ministry of Public Administration to Estonian counterparts on Public Administration Reform (June 2016)

Public Administration Reform is a continuous process which includes changes to the regulatory and legal framework, the organizational structure in the central and municipal administration, personnel management and a move towards results-based management, amongst others.

With the entry into force of the Stabilization and Association Agreement (SAA), Kosovo has gained new momentum towards European integration, and there is a renewed effort for the modernization of the public administration. The "Strategy on the Modernization of Public Administration 2015–2020" reflects the need to foster public administration development in conformity with the demands for an administration that is efficient and effective, professional, transparent and accountable towards the public, and able to meet the demands of citizens.

In order to learn from best practices and experiences from EU member states on how to improve the public administration, Kosovo, with facilitation from the UNDP, is actively engaged in **South–South cooperation**. Within this framework the Ministry of Public Administration (MPA) conducted a two-day visit to its Estonian counterparts, respectively the Ministry of Finance and the Top Civil Service Excellence Centre in the Government Office.

Estonia was a natural choice – it has established a progressive public administration and a well-organized civil service, where the improvement of public services is a continuous process, in the form of maximizing e-solutions, minimizing the duplication of agencies, outsourcing, reducing bureaucracy and consolidating support services.

Estonia's experience, including their lessons learned, has proved a valuable source of information on the organization and functioning of the civil service, professional development, and the legal framework governing the civil service²¹¹.

210 The World Bank, Republic of Serbia Modernization and Optimisation of Public Administration, pp.8–10 <http://www.worldbank.org/projects/P155172?lang=en>.

211 <http://www.ks.undp.org/content/kosovo/en/home/presscenter/articles/2016/06/15/visit-to-estonian-counterparts-on-public-administration-reform-.html>.

IV REGIONAL COOPERATION IN THE PROCESS OF OPTIMIZATION OF PUBLIC ADMINISTRATION

1. Benefits of sharing experiences among the countries of the region

Regional cooperation is a principle of the highest importance for the political stability, security and economic development of the WB countries. Many of the challenges facing the WB countries are not only common to them but also have a cross-border dimension, which involves their neighbours and the region as a whole.

The general political and socio-economic environment in SEE has, to a large extent, shaped regional cooperation. In particular, stronger dialogue between governments, regional and international organizations, civil society and the private sector has made regional cooperation a more transparent and effective process. The socio-economic conditions across the region have continued to underpin the focus placed on development and, especially, on economic growth.

In the previous period, the regional cooperation in SEE has brought the commitments of governments and the support of stakeholders to bear, in order to create conditions conducive to further strengthening of good-neighbourly relations, increasing prosperity and promoting progress in the European integration processes.

The reform process in the region faces political challenges and is also hampered by limited institutional capacity and a lack of human and financial resources. The relatively small size of the individual economies also means that they lack critical mass when it comes to implementing certain policies and measures.

A significant example of a strategic approach to sharing experiences among the countries of the region is **the South-East Europe 2020 Strategy** (SEE Strategy) which was developed by the Regional Cooperation Council (RCC)²¹² and adopted by the Ministers of the Economy of seven South-East European economies on 21 November 2013 – Albania, Bosnia and Herzegovina, Croatia, Kosovo, Montenegro, Serbia and the Former Yugoslav Republic of Macedonia. National governments and their administrations are at the centre of the SEE 2020 process and bear primary responsibility for developing and implementing the respective objectives and measures, supported, where appropriate, by regional structures and initiatives.

²¹² The Regional Cooperation Council (RCC) was officially launched at the meeting of the Ministers of Foreign Affairs of the South-East European Cooperation Process (SEECPP) in Sofia on 27 February 2008 as the successor of the Stability Pact for South-Eastern Europe. The areas of cooperation in the framework of the RCC are: economic and social development; energy and infrastructure; justice and home affairs; security cooperation; building human capital, as well as cross-cutting issues such as parliamentary cooperation, media development, civil society activities and gender mainstreaming, <http://www.rcc.int/pages/2/overview>.

The SEE Strategy pursues a holistic pattern of development for the region and seeks to stimulate the key long-term drivers of growth, such as innovation, skills and the integration of trade. It is centred on a set of interlinked development pillars:

- Integrated Growth: through the promotion of regional trade and investment linkages and policies that are non-discriminatory, transparent and predictable;
- Smart Growth: by committing to innovate and compete on added value rather than labour costs;
- Sustainable Growth: by raising the level of competitiveness in the private sector, development of infrastructure and encouraging greener and more energy-efficient growth;
- Inclusive Growth: by placing greater emphasis on developing skills, creating employment, inclusive participation in the labour market and health and wellbeing;
- Governance for Growth: by enhancing the capacity of the public administration to strengthen the rule of law and reduce corruption, the creation of a business-friendly environment and delivery of public services necessary for economic development.

All of these issues are central to the socioeconomic policies of each SEE country and are critical elements of the EU accession process. Therefore, in essence, the SEE Strategy provides a framework to assist the governments of the region to implement their individual development strategies, including EU-accession-related goals, by enhancing national efforts through focused regional cooperation on those specific issues that can benefit from a shared approach.

Within the SEE Strategy, the **Governance for Growth** pillar is considered to be a cross-cutting component and a prerequisite for the achievement of the Strategy's objectives and for the effective implementation of the Strategy's policy measures and instruments across all pillars. There are three main dimensions to good governance considered by the SEE Strategy: 'Effective Governance' (including local governments); 'Anti-corruption'; and 'Justice'.²¹³

There is ample evidence that institutions – particularly those involved in governance – are contributing significantly to development and growth. Positive contributions come from inclusiveness, responsiveness, efficiency and fairness.

Regional cooperation in this whole area is important in terms of mutual learning and the adoption of best practice, but even more so in terms of long-term stability.

Regional cooperation provides a mechanism to add value to national actions by:

- Elevating certain relevant policies and actions to the regional level (e.g. trade or transport and energy connectivity between the EU and the region);
- Ensuring common understanding and a harmonized and transparent approach on relevant regulatory and legislative issues especially those related to adoption and implementation of the EU *acquis* and on EU policies which are subject to the Open Method of Coordination;
- Providing a forum to address common challenges, such as the strengthening of local government, improving skills and productivity or ensuring inclusive access to employment and health services;
- Increasing institutional capacity through shared experience on the development and implementation of policies, promoting best practices and supporting peer-learning exercises;
- Leveraging greater resources by facilitating more efficient implementation of policies and investments; and
- Reinforcing the will and capacity of national administrations to tackle pervasive problems, such as corruption or environmental degradation.²¹⁴

²¹³ South-East Europe, Jobs and Prosperity in a European Perspective, 2013, pp.4,33–37, <http://www.rcc.int/files/user/docs/reports/SEE2020-Strategy.pdf>.

²¹⁴ South East Europe 2020 Baseline Report, Towards Regional Growth, 2014, pp.17–18, <http://www.rcc.int/pubs/21/see-2020-baseline-report-towards-regional-growth>.

Governance for Growth has seen considerable progress with the development of **several regional methodologies in the areas of public administration reform and anti-corruption** that are being transposed into national frameworks, and sound cooperation in the area of justice has been instituted with the development of studies and establishment of several judicial networks.

Within the **Effective Public Services** dimension of the Governance for Growth pillar, the Regional Cooperation Council (RCC) and ReSPA have been focused on implementing activities addressing the improvement of the quality of public services, upgrading of policy and regulatory capacity, continuous improvement of public officials' capacities and e-government.²¹⁵

2. Potential for regional cooperation in area of the Optimization of Public Administration and ReSPA's role in accelerating this cooperation

The WB countries are strongly committed to integration into the EU in order to secure stable, prosperous and well-functioning democratic societies. The focus of their governments is directed at meeting the criteria in order to achieve these goals. The challenge of the integration process stimulates further development of the organization and functioning of institutions in each country, which should be capable to manage the complex transition in all political, economic and social areas in accordance with EU principles.

The need to improve competitiveness, concerns about fiscal sustainability and growing demands for effective, efficient and inexpensive public services have prompted wide-ranging reforms in the public sector, including efforts to optimize the public administrations.

Bearing in mind the complexity of the optimization process of public administration and the current situation in the specific areas of the optimization process in the individual WB countries, regional cooperation through the exchange of experience and joint efforts can significantly contribute to overcoming some of the national challenges and to accelerating the attainment of goals in key sectors.

Progress has been made in all areas of the optimization process, but fundamental improvements are still needed. **The key components of regional cooperation should cover all areas of the optimization process:**

- **PAR process** – in order to ensure efficient, effective and transparent planning, implementation, monitoring, evaluation and reporting systems for PAR;
- **Budget** – in order to ensure the existence of a PFM reform programme covering the whole budget cycle (planning, execution, monitoring and reporting) and budget transparency;
- **Human Resources Management** – in order to ensure merit-based recruitment and promotion, the HRM system/HRMIS, professional development, remuneration, ethics/integrity;
- **Organizational Efficiency and Effectiveness** – in order to ensure rational organization of the state administration (at the horizontal and vertical levels), as well as citizens' rights to good administration, to access public information, to administrative justice and to compensation;
- **Decision-making processes** – in order to ensure an efficient, effective and transparent policy planning and coordination system, as well as inclusive and evidence-based policy and legislative development.

²¹⁵ Annual Report of the Secretary General of the Regional Cooperation Council 2015-2016, Sarajevo, 28 April 2016, pp.9,27–28, <http://www.rcc.int/pages/91/annual-report-on-regional-cooperation-in-south-east-europe-2015-2016>.

All of these issues are central to the socioeconomic policies of each WB country and are also fundamental elements of the EU accession process. Considering the national specificities and common requirements, regional cooperation in the field of the optimization of public administration should be established on the basis on a specific **Regional Programme**. This programme should provide a framework to assist the governments in the region to implement their individual development strategies, including EU-accession-related goals, by enhancing national efforts through focused regional cooperation on those specific issues that can benefit from a shared approach.

A Regional Programme for the optimization of the public administration in WB countries should define a long-term vision for further development in this area in order to stimulate the drivers of growth for the region. A programme should contain objectives and a targeted policy reform agenda with relevant measures and indicators, as well as monitoring and reporting mechanisms.

The following table shows the framework for regional cooperation, emphasizing potential areas of interventions by relevant components of the optimization process, as well as the modes of regional cooperation.

Table 48 shows the widest framework for regional cooperation, emphasizing the potential areas of interventions, as well as the modes of regional cooperation.

Table 48. Framework for regional cooperation and the role of ReSPA

Component	Potential area of intervention	Mode of regional cooperation
PAR process	<p>Improve the content and substance of the concept of PAR strategic documents</p> <p>Improve the methodology of PAR action planning, monitoring and reporting</p> <p>Increase the effectiveness and efficiency of mechanisms for coordinating implementation of PAR activities</p> <p>Increase the transparency of reporting on the implementation of the PAR strategy APs</p>	<p>Policy Development</p> <ul style="list-style-type: none"> - Conduct studies, assessments and research, making recommendations - Preparation of regional and national guidelines - Policy forums - Expert missions <p>Exchange of information, know-how and experience</p> <ul style="list-style-type: none"> - Working meetings - Technical discussions <p>Networking</p> <ul style="list-style-type: none"> - Organization of conferences, professional symposiums; - Web sites/links: information available about relevant documents, events, training, seminars and workshops <p>Capacity building</p> <ul style="list-style-type: none"> - Training, seminars <p>Development of specific manuals for different rightsizing initiatives</p> <ul style="list-style-type: none"> - Standards/minimum criteria for establishment of an public administration institution (based on functional analysis which includes organization and scope of work without any overlap) and cost-effectiveness analysis in line with the MTBF

Component	Potential area of intervention	Mode of regional cooperation
Budget	<p>Strengthen MTBF Development of the fiscal policy measures plans; development of guidelines for better connection between strategic goals of the government with the goals of the budget's programmes; establishment of a unified methodology for preparation of sector strategies that includes costing of activities for the implementation of sector strategies; enhanced planning and presentation of multiannual commitment in the budget.</p> <p>Strengthen the preparation of Annual budget Analysis of current legislation and procedures; development of relevant methodologies for programming; improvement of planning and programming of external assistance; preparation of the relevant manuals; improvement of the transparency of the budget through its better visualization.</p> <p>Improve capital projects planning Evaluation of proposed public investment projects; development of a methodology for monitoring the implementation of approved capital projects; harmonization of procedures for planning; evaluation and selection of all capital projects regardless of the source of financing, national and local budgets, EU funds and other sources and reporting.</p>	<p>Policy development</p> <ul style="list-style-type: none"> - Conduct studies, assessments and research, making recommendations - Support in the preparation of strategic documents and legal framework - Preparation of regional and national guidelines and manuals - Policy forums - Expert missions <p>Networking</p> <ul style="list-style-type: none"> - Organization of conferences, professional symposiums; - Web sites/links: information available about relevant documents, events, trainings, seminars and workshops <p>Capacity building</p> <ul style="list-style-type: none"> - Training, seminars <p>Development of specific manuals for different rightsizing initiatives</p> <ul style="list-style-type: none"> - Costing of sector strategies
Human Resources Management	<p>Develop standards and procedures for selection of candidates for senior management positions in PA (competencies);</p> <p>Increase competition and reduce discretion when making decisions on the selection of candidates (e.g. introduction of electronic testing of candidates);</p> <p>Develop standards and procedures for improvement of HR planning;</p> <p>Develop standards and procedures for functioning HR registries;</p> <p>Establish policy and legal frame of strategic HRM and develop instruments for strategic HRM;</p> <p>Further develop professional development and training system in PA (strategic planning, effective imple-</p>	<p>Policy Development</p> <ul style="list-style-type: none"> - Conduct studies, assessments and research, making recommendations (including development of a staff retention policy to cope with anticipated workload and staff turnover, with creation of a pilot project/model for a staff retention policy in IPA structures) - Professional assistance in the preparation of strategic documents and legal framework - Preparation of regional and national guidelines and manuals - Approach to the Common Assessment Framework (CAF) as a tool to assist public administration organizations, i.e. public-sector organizations, in using quality management techniques to improve their performance - Policy forums - Expert missions

Component	Potential area of intervention	Mode of regional cooperation
	<p>mentation, monitoring and reporting, licences for trainers, criteria for legal entities as potential contractors)</p> <p>Develop measurable criteria for the assessment of performance appraisal</p> <p>Improve the system of salaries and other income of public servants (introduction of a new fair salary system, introduction of better management and control of salaries)</p>	<p>Exchange of information, know-how and experience</p> <ul style="list-style-type: none"> - Working meetings - Technical discussions <p>Networking</p> <ul style="list-style-type: none"> - Organization of conferences, professional symposiums; - Web sites/links: information available about relevant documents, events, training, seminars and workshops <p>Capacity building</p> <ul style="list-style-type: none"> - Training, seminars <p>Development of manuals for specific rightsizing initiatives</p> <ul style="list-style-type: none"> - Instruments for strengthening HR plans (to make them obligatory, with incentives for efficient implementation and sanctions for not doing so)
Organizational Efficiency and Effectiveness	<p>Development of standard methodology for conducting analysis regarding functional and financial effects of PA institutions</p> <p>Improvement of decentralization and de-concentration of state administration by enhancing the analytical and strategic framework</p> <p>Simplification and acceleration of administrative procedures (preparation/implementation of new laws of administrative procedures and administrative dispute; harmonization of special procedures predicted in separate laws/regulations – conduction of analysis)</p> <p>Strengthening of HR capacities of the administrative inspection</p> <p>Further development of e-services with a high degree of user experience (for PA, education, enterprises and citizens)</p> <p>Strengthening of IT support for the PAR strategies and AP monitoring – development of software for data collection for regular reporting to the government, i.e. improve reform monitoring, evaluation and reporting</p>	<p>Policy Development</p> <ul style="list-style-type: none"> - Conduct studies, assessments and research, making recommendations - Professional assistance in the preparation of strategic documents and legal framework - Preparation of regional and national guidelines and manuals - Approach to the Common Assessment Framework (CAF) as a tool to assist public administration organizations, i. e. public-sector organizations, in using quality management techniques to improve their performance - Policy forums - Expert missions <p>Exchange of information, know-how and experience</p> <ul style="list-style-type: none"> - Working meetings - Technical discussions (including development of IT solutions for reform monitoring, evaluation and reporting as a regional model in line with the specific ReSPA countries' needs) <p>Networking</p> <ul style="list-style-type: none"> - Organization of conferences, professional symposiums; - Web sites/links: information available about relevant documents, events, training, seminars and workshops <p>Capacity building</p> <ul style="list-style-type: none"> - Training, seminars <p>Development of manuals for specific rightsizing initiatives</p> <ul style="list-style-type: none"> - Outsourcing criteria for PAR AP measures

Component	Potential area of intervention	Mode of regional cooperation
Decision-making process	<p>Establish a comprehensive and rational system of medium-term policy planning and improve the quality and implementation rate of sector strategies (selection of appropriate methodologies, preparation of the legal and strategic framework, strengthening capacities)</p> <p>Increase transparency of the public policy management system</p> <p>Increase the use of modern analytical tools for the drafting of legislation and better quality of public consultations, RIA, ex-post analysis (improve the strategic and legal framework, procedures, strengthening capacities)</p>	<p>Policy Development</p> <ul style="list-style-type: none"> - Conduct studies, assessments and research, making recommendations - Professional assistance in the preparation of the strategic documents and legal framework - Preparation of regional and national guidelines and manuals - Approach to the Common Assessment Framework (CAF) as a tool to assist public administration organizations, i. e. public-sector organizations, in using quality management techniques to improve their performance - Policy forums - Expert missions <p>Exchange of information, know-how and experience</p> <ul style="list-style-type: none"> - Working meetings - Technical discussions <p>Networking</p> <ul style="list-style-type: none"> - Organization of conferences, professional symposiums; - Web sites/links: information available about relevant documents, events, training, seminars and workshops <p>Capacity building</p> <ul style="list-style-type: none"> - Training, seminars <p>Development of manuals for specific rightsizing initiatives</p> <ul style="list-style-type: none"> - standards/minimum criteria for strategies and AP with regional impact - standards/minimum criteria for strategies and AP with impact on both national and local budgets and development

The development and implementation of a Regional Programme requires joint efforts at the national level of each WB country and at the regional level. Strong national commitments and regional coordination are needed. In this context it is very important to use the existing coordination structures and mechanisms in order to avoid duplication of effort and to maximize scarce resources in the large number of existing initiatives and/or assistance programmes.

ReSPA is an international organization which was established with the mission of boosting regional cooperation in the field of public administration in the Western Balkans. As such, ReSPA was established to support the creation of accountable, effective and professional public administration systems for the Western Balkans on its way to EU accession. ReSPA seeks to achieve this mission through the organization and delivery of training activities, high-level conferences, networking events and publications, the overall objectives of which are to transfer new knowledge and skills as well as to facilitate the exchange of experiences

both within the region and between the region and the EU Member States.²¹⁶ The organization structure of ReSPA (ReSPA staff, liaison officers, budget committee, governing board and advisory board) ensure equal representation of each WB country and effective adoption and implementation of the planned activities. Bearing the mind these competences and the organization capacity, as well as the previous efforts and results regarding PAR, ReSPA is recognized as a regional coordinator of activities related to the preparation and successful realization of this regional initiative.

A Regional Programme for the optimization of public administration in the WB countries should be developed and implemented in close cooperation of ReSPA and the WB countries in accordance with their specific roles.

The role of ReSPA should be as follows:

- Preparation of a Regional Programme for the optimization of public administration in the WB countries and coordination of activities regarding preparation and adoption of the programme;
- Coordination of Regional Programme activities (policy development, exchange of information, know-how and experience, networking, capacity building and development of manuals for specific rightsizing/optimization initiatives);
- Organization and implementation of certain activities in accordance with the Regional Programme;
- Monitoring and evaluation of the implementation of the Regional Programme activities;
- Reporting on the implementation of the Regional Programme activities;
- Promotion of Regional Programme activities;
- Support for institution and capacity building at the national and local levels in the region;
- Development of (or an extension to) the regional level of e-services, contributing to enhancing the efficiency and transparency of these services, enabling better exchange of information.

The role of WB countries should be as follows:

- Active participation in the preparation of a Regional Programme for the optimization of public administration in the WB countries (providing national guidelines for defining specific topics for regional cooperation), as well as in the adoption of the programme;
- Coordination of Regional Programme activities on a national level;
- Organization and implementation of certain activities in accordance with the Regional Programme;
- Participation in the monitoring and evaluation of the implementation of the Regional Programme activities at the national level;
- Participation in the preparation of reports on the implementation of the Regional Programme activities at the national level; and
- Promotion of the Regional Programme activities at the national level.

The ambitious nature of this regional initiative will reflect the strong political will of the WB governments to take a further step towards European integration, creating successful economies and thriving societies in each country of the region and in the region as a whole.

²¹⁶ <http://www.respaweb.eu/69/pages/52/vision>.



V CONCLUSION AND RECOMMENDATIONS

Public administrations must be able to keep up with fast-changing social, economic and technological requests in order to fulfil their responsibilities to protect the public interest without jeopardizing the necessary changes. The need to improve competitiveness, concerns about fiscal sustainability and growing demands for better public services at lower costs have prompted wide-ranging reforms in the public sector, including efforts to optimize the public administration as well as recent initiatives to improve the quality of regulation and reduce administrative costs. An optimizing economy depends directly on an equally optimizing government/public administration.

The additional significance to the **optimization of the programmes and measures in public administration** is a result of the economic crisis, and many countries have had more stringent policies imposed to reduce the public deficit. However, it is important to emphasize at the outset that optimization is often wrongly understood as a matter of reducing the number of employees. This is not the purpose of the optimization process. Optimization of the public administration involves constant pressure on employees and other resources to be used as efficiently as possible, with the right mixture of employees' skills and the assignment of staff and operating budget in accordance with defined public policies and their priorities. Therefore, optimization policy should be seen as part of a broader set of overarching public administration reforms. Optimization is based on a set of tools to modernize government: optimize effectiveness; increase efficiency; reduce costs; rationalize the work force; and improve the quality of public services. Optimization of the public administration should be understood as an integral part of continuing administrative reform, which can be defined as a systemic improvement of the operational performance and results of the work of the public administration.

The optimization process requires significant improvements to public administrations through comprehensive reforms in the following **areas**: public finance (budget planning and execution); the civil service system; the organization and functioning of the public administration; public service delivery; and the decision-making process (including the legislative process). Bearing in mind that these areas are interconnected and interdependent, reforms need to be well organized, coordinated and implemented. The monitoring results need to be measurable and the reporting system transparent.

Given the importance of the optimization process, the **Regional Comparative Study with Baseline Analysis** "The Optimization of Public Administration in the Western Balkan Region" encompasses topics regarding the origins, role and chronology of optimization policy in public administration, the current state in optimization in the EU Member States, highlighting the successful effects, as well as topics regarding the importance of optimization for the Western Balkan countries focusing on EU enlargement policy, the public administration reform and the size, costs and effects of the public administration. Besides this, the Study gives an overview of optimization policies and mechanisms in the Western Balkan (WB) region showing the areas of actions, the measures implemented within the PAR process, IPA support for the PAR process, the examples of implemented policy optimization measures

– objectives and effects, and the best practices. Furthermore, the Study emphasizes the importance of regional cooperation between the WB countries in the optimization process, and indicates a possible framework for future cooperation and the role of ReSPA. Finally, the Study contains an overview of the selected economic indicators and recommendations by countries (Annex 1), as well as a SWOT analysis (regional and national) in Annex 2.

The Study is the result of the research and analysis of the economic and legal aspects of optimization policies in the region and further afield in EU/OECD countries. The authors conducted desk research of the relevant documents and legislations, as well as examination and analysis of the questionnaire completed by ReSPA Members, in close cooperation with ReSPA's liaison officers.

The main economic data was collected based on official statistical data, data from the ministries of finance, central bank data, employment office, ministries responsible for PAR reform, EC and SIGMA/OECD reports and collected data through the questionnaire shared with the ReSPA contact in each PAR structure in the region, for 2014 and 2015.

1. Conclusions

The optimization of public administration can be defined as a process or methodology of making public administration as fully functional and effective as possible. Bearing in mind that an optimizing economy depends directly on an equally optimizing administration, policymakers should take steps to allow the strengthening of public administration capacities so as to be capable of following trends in the economy.

The quality of public administration is a determining element of **competitiveness**, and an important factor for the overall progress of society. Ongoing pressure on public finances is driving major changes and restructuring of the public sector. However, these challenges need to be transformed into an opportunity. Considering that public administration reform is a continuous process, there is a need to give it a new impetus under the current circumstances.

Gradual optimization, as a consequence of the need to adapt to global changes, is the mainstream process of public administrations in modern countries. Many EU Member States and other developed countries have relatively long experience in the optimization and restructuring of their public administration. Policies regarding the size, structure and costs of public administration, and especially, spending on public servants and employees, flow towards the main objectives: enhancing efficiency and effectiveness in the public sector; improving the coordination and delivery of public services; reducing the budget deficit; and addressing the impact of demographic changes and an ageing population as an additional demand on public services. This approach is influencing ReSPA Members to optimize their public administrations.

The recent financial and economic crisis has pressed many governments in **EU Member States** to undertake various measures regarding the optimization of public administrations in order to make them more efficient and meet citizens' expectations. The overall conclusions are as follows:

- Analysis of selected Member States (Estonia, Latvia, Portugal, Ireland, Finland, and the Netherlands) has demonstrated that all of them have **implemented reforms in their public administrations**, which vary significantly from each other. These various approaches reflect different starting points, legal and institutional tradition, as well as different sources of public-sector inefficiencies. However, despite of these differences, in

order to optimize their public administrations all of them appear to focus their attention primarily on measures related to the budget, human resource management, organizational efficiency and effectiveness including e-government and the decision-making process.

- The proportion of government spending for compensation of employees of GDP was **10.14%** in 2015 at the EU level. This indicator varies between the Member States (from 16% to 8.4%). The number of employees in the public administration, defence, education and social sector activities represents **23.6%** of the total registered employment.
- Most of the selected Member States implemented **short-term measures**, which were primarily oriented towards budget and staff cuts, with the exception of Finland and the Netherlands. These two countries have opted for **long-term strategy-oriented measures** covering areas of importance for the optimization process.
- **The results of the optimization of public administration** are as follows: Reorganization; An approach to the rightsizing of public administration; Development of e-government and e-services; Efficiency and effectiveness of public administration; Reduction of government spending; Transparency and openness of PA; Improving regulation and reducing the administrative barriers; Increasing the quality of public services; Fighting corruption in public services; Focusing on outcomes and results; Rationalizing the structure of central-level government organization; and Modernizing HRM in public services.

Faced with fiscal scarcity, but also growing needs, especially in advancing integration into the EU, **the governments in WB countries** are trying to achieve optimization of public administration i.e. to develop a more efficient administrative structure able to “do more with less”. At the same time, the state administrations are required to “do it differently”: a larger selection of new types of services force the public sector to establish a set of structures adapted to specific requirements or certain areas.

Analysis of **the WB countries** regarding optimization issues has demonstrated that all countries have certain strengths and weaknesses. The overall conclusions are as follows:

- The WB countries are strongly committed to **integration into the EU** in order to secure stable, prosperous and well-functioning democratic societies. In the case of WB countries, the progress in the integration process in the EU is a powerful catalyst for change. The influence of the European integration process has a twofold aspect. On one hand, it leads to new employment and enlargement of the number of public servants in state institutions. In addition, on the other hand, European integration, as such, pushes public administration into reforms in accordance with the principles of the European Administrative Space, which leads to an improvement in the efficiency and overarching rationalization of the public sphere.
- The focus of their governments is directed at meeting the criteria in order to achieve these goals. The challenge of the integration process stimulates further development of the organization and functioning of institutions in each country, which should be able to manage a complex transition in all political, economic and social areas in accordance with EU principles.
- All the countries in the region have **signed and are starting to implement the SAA**. The next important step in the accession process is the submission of applications for membership and a positive assessment prepared by the Commission, which allows the country to become a candidate. Montenegro and Serbia have started accession negotiations with the EU, while Albania and Macedonia are candidate countries, and Bosnia and Herzegovina and Kosovo are potential candidates for EU membership.
- In early 2016, the enlargement countries from the region submitted the second “generation” of **Economic Reform Programmes** for the period 2016–2018. It is a gradual approach to the EU’s new economic governance mechanism (European Semester) by the Western Balkan countries. Preparation of the ERPs 2017–2019 is underway.
- **All the WB countries have a relevant PAR institutional framework**, an appropri-

ate coordination structure at the government level, as well as a ministry responsible for public administration reform. Besides this, other public administration bodies are included in the PAR process in accordance with their competences under the relevant areas of optimization.

- In the previous period, the WB countries have undergone **several cycles of PAR** producing two or more strategic documents in this area. This shows that the governments are **committed to reforming public administrations**. Most of the countries (Albania, Montenegro, Serbia and Kosovo) have current PAR strategic documents with the accompanying action plans. In Macedonia, a new PAR Strategy document and Action Plan, which will cover the period 2017–2022, is under preparation. In BH, the timeframe for RAP PAR1 expired, so a countrywide document is lacking and a new PAR strategy is in process of preparation. All the strategic documents have prescribed mechanisms for **monitoring and reporting**. However, the content of the strategy documents are oriented more to the civil service system, the organization and functioning of public administration, public service delivery and the decision-making process, and less to the improvement of budgetary governance. In addition, the **methodologies** for the preparation of action plans are different from country to country. Finally, the reporting is not always timely, regular or transparent (e.g. Macedonia and Kosovo).
- All the WB countries have separate **strategy documents** that vary from country to country depending on the specific areas of optimization (e.g. government plan, PFM, professional development of civil/local servants, anti-corruption, information development and e-government).
- All the WB countries have established a **legal framework** for all the areas of the optimization process. However, harmonization of the legal framework with the acquis in the relevant areas varies from country to country depending on the status of the country in the accession process.
- The EC reports (2015), SIGMA Baseline analysis (2015) and national documents and legislation provide a detailed **overview of the situation in all areas of optimization**.
- EU enlargement policy includes financial assistance, channelled mainly through **the Instrument for Accession Assistance (IPA)**. The IPA funds build up the capacities of the countries throughout the accession process, resulting in progressive and positive developments. At the beginning of the IPA II programming process, the sectors for IPA II support are identified and explained in the Indicative Country Strategy Papers for all IPA countries. IPA II support is planned through a **sectoral approach** depending on the national priorities of each country individually. These priorities are linked to the priorities of democratic and economic reforms, as well as the priorities of the current stage of the European integration process. The main potential benefits for beneficiaries are: the increased impact of EU assistance by providing an incentive to implement reforms at the sector level, rather than implementing isolated projects; improved capacity building, as the beneficiary needs to meet certain conditions to qualify for budget support, in particular a stable macro-economic framework and sound public financial management; and a clearer link between the political agenda, which requires sector reforms, and the financial assistance to support such reforms.
- Regarding the number of **employees in the general government – GG** (in sections O,P and Q of NACE2.rev classification²¹⁷) as a percentage of total registered employment, the highest levels are in BA (29.4%) and ME (26.1%), followed by RS, KS and MK. The relative indicator in AL is very low in comparison to the regional average, at only 13.3%. It is interesting that the indicator for EU13 is lower than the EU28 and WB6 indicators (EU13 – 20.3%, EU 28 – 23.6%, and WB – **22.8%**). This data demands

217 For some countries, only the available data is used from NACE.rev2 classification of economic activities in the scope of Sections O, P and Q (“Employment of Public administration, defence, education, human health and social work activities”). The same explanation is used for the EU comparative analysis in Chapter I of this study (Footnote 51 on page 17).

the full attention of the governments regarding optimization policy, i.e. **rightsizing initiatives** (excluding AL).

- On an aggregate level, the **number of employees** in ministries, different services and public institutions reduced in the period 2014–2015. The biggest decrease was in Serbia (-2.8) and Macedonia (-1.0), but only symbolically in Montenegro (-0.2), while this number increased in Bosnia and Herzegovina and Kosovo. Albania maintained almost the same level of employees. During the same period overall registered employment increased by 5.7% (thanks to growth in Kosovo 9.1%, Serbia 8.1% and Albania 5.1%). Following the trends in overall employment, the change of the percentage of employment in the abovementioned sectors in overall employment is relatively high in Serbia, Kosovo and Macedonia.
- The “army” of 1.07 million of employees in public administration in the WB region should have efficiently delivered a different public service to the 18.3 million inhabitants in 2015. In comparison with the EU, **the average number of employees in general government per 100,000 inhabitants in the region is 5,881**, while this indicator in the EU28 is **10,713** (82% higher) and for the EU13 (the “new” Member States) it is **9,029** (53% higher). This indicator is the highest in ME (7,250) and RS (7,048), while the lowest indicator is for AL (4,463) and KS (4,531). In EE, this indicator is higher than the EU average. Hence, bearing in mind the lower level of GDP and GG budget capacities, public administrations in the region should take more effort regarding the quality of public services for citizens and businesses – the **efficiency and effectiveness initiative**.
- **Compensation for employment of general government as a percentage of GDP** varies among the ReSPA beneficiaries (average 9.1%). The highest level is in BA, ME and RS, while the lowest is in MK and AL. KS is also below the regional average. Since the EU28 is at 10.1% with a plan to gradually reduce this indicator in medium term, BA, ME and RS should follow that trend and harmonize the level of this indicator with the EU28 and EU13 averages (in line with the GDP level of their economies). However, HR, SI and EE have not planned to reduce this indicator to the EU28 level by 2017 (they will keep it at 11.3-11.5%).
- Compensation for employment of GG as a percentage of GDP should be more in line with the **capacities of the real economy measured by GDP pc in PPS (EU=100)**, bearing in mind that the EU13 average is 71, while the values for HR, SI and EE are 58, 83 and 74 respectively.
- Regarding the **WGI indicator** (Worldwide Governance Indicators, Dimension “Governance Effectiveness”), the ReSPA beneficiaries are rather lower than the EU average (EU28 – 3.6, EU13 – 3.3 and WB6 – 2.4) and the selected Member States (HR – 3.2, SI – 3.5 and EE -3.5).
- Addressing common reform challenges and country responses to these challenges, the focus of regional analysis in Chapter III.4 is on the size, costs and effectiveness of the PARs in the ReSPA beneficiaries. There are **no direct correlations** between a (smaller) government’s size and (higher) spending efficiency, or expenditure size and an indicator of government quality. A complex structure of different political, legal, economic and institutional factors that influence the final result of PA effectiveness exists in each country of the Western Balkan region.
- When it comes to the PAR optimization process, most national reform initiatives can be classified under the following key aspects: **budgetary measures** (e.g. reducing the budget, freezing of salaries in public administration, development of single salary policy for General Government); **measures related to human resource management** (e.g. redundancies, early retirement programmes, the maximum limit on the number of employees in each institution, establishment and maintenance of the Internal labour market records - ILMR, flexible labour mobility and relocation, career structure, and changes in systematization and job descriptions according to the HR plan); **measures related to changes in the context of organizational efficiency and effectiveness**

(e.g. development of more efficient procedural requirements for regulation within the government and strengthening of control within the administration – through ICT initiatives as the most important aspect of the optimization process and an outstanding driver of change; the development of ‘open government’ and the introduction of e-government, with enhanced practice of public consultations); **measures oriented to reforming the decision-making process** (e.g. mechanisms of strategic planning and coordination, RIA, ex-ante control standards, such as regulatory impact assessments of new regulations).

- Regarding **budget governance**, it can be concluded that budget processes have been established and generally include medium-term budgetary frameworks. The annual budget timetable has been defined and the systems of in-year fiscal management are operational. The Treasury system provides controls and the MoFs have been able to limit public spending. Furthermore, the basic conditions for budget transparency are in place.
- Generally speaking, **the human resource management system** has been developed in all the region’s countries. The status of civil servants and other employees in public administration institutions are defined by the laws on civil servants and other relevant laws. The professionalization of public servants by merit recruitment and promotion is protected under the laws on civil servants and the relevant by-laws. The criteria and process for dismissals and disciplinary procedures, including the possibility to appeal, are enshrined in laws. The HR information systems and the central civil service registries are in place. Also, the salaries and remuneration systems are established by laws and relevant by-laws. The general rules and protocols regarding professional development are in place. Performance appraisal is prescribed. The ethical legal frameworks are established with a number of legislative measures that prevent corruption and encourage integrity in public administration.
- The preconditions for **organizational efficiency and effectiveness** are ensured. The organization and responsibilities of public administrations are prescribed by regulations. The legal frameworks regarding access to public information is in place, including the obligation to actively disseminate public information. Mechanisms for internal and external oversight with regard to state administration bodies are established. Policies on improving public services are included in strategic documents and governments are committed to a user-oriented administration. Activities aimed at reducing administrative burdens are oriented mainly towards businesses. The legislation on general administrative procedure generally meets the standards of good administration. E-services are numerous, and the acceptance rate among citizens is increasing.
- In the area of the **decision-making process**, the legal basis and institutional structures, including those for European integration, are largely in place to ensure a consistent policy-making system. The legal basis and institutional structures for effective implementation of consultation with the public and for cooperation with the NGO sector have been established. The modern legislative techniques (Rules of Drafting Legislation, Regulatory Impact Assessment (RIA), Deregulation and Simplification of Regulations) have been introduced. In all the countries, national legislation is available electronically through the official gazettes.

However, the research has highlighted some **weaknesses in the optimization process** regarding specific areas of this process. The main weaknesses are as follows:

- **PAR process** – a lack of consistency in the PAR processes; lack of content consistency of PAR strategies; a lack of consistency in the sectoral planning and the medium-term financial planning, and a lack of relevant methodology for this process; a lack of an efficient mechanism for monitoring the budgetary impacts.
- **Budget system** – annual budget proposals do not contain all the necessary information; budget transparency is not ensured in a comprehensive, timely and reliable manner;

the planning of IPA funds is not uniform at the regional level regarding co-ordination with the MTEF preparations.

- **Human Resource Management system** – politicization and limited capacities; many employees in public administration exercise key state functions without the status of civil servant; a lack of a methodology for determining the required number of civil servants and other employees in public administration; in practice, the selection and appointment procedures for senior managers do not ensure merit-based recruitment; a lack of a reliable system for transparent selection based solely on professional criteria (competencies); HRM information systems and the central civil service registries are not fully developed; a lack of tools for the evaluation of the jobs in order to have a fairer salary and remuneration system; a lack of strategic planning of professional development and training in public administrative authorities; and a lack of criteria for the assessment of performance appraisal.
- **Organizational Efficiency and Effectiveness** – a wide range of public bodies are without clear guidance on which legal form is suitable for which task (e.g. public agencies); a lack of systematic analysis regarding the organization and functioning of public administration authorities; the quality and cost effectiveness of services is not subject to a regular review, and public institutions do not actively seek citizens' feedback; the independence of Ombudsman institutions is limited in some areas (e.g. appointments, financial management) and the implementation of recommendations is at a low level; the practical implementation of the right to access information is complicated by a number of problems, including an excessively broad scope of exceptions and insufficient independent monitoring; the new legislation on general administrative procedure has not yet been developed in all WB countries; the number of e-services for citizens through the e-government portals is limited, as is the number of services that offer transaction possibilities; a lack of a system of measuring the level of customer satisfaction with existing public services.
- **Decision-making process** – a medium-term planning system is not ensured in all the WB countries and where it is established a comprehensive approach and clear alignment of medium-term policy documents with fiscal strategy is lacking; co-ordination of medium-term planning is not regulated, including for decisions around the adoption of sectoral strategies; regular reporting on the implementation of developed strategies is not ensured and transparency is at a low level; activities in the EI plan are not clearly prioritized and the information on budgetary requirements is not sufficient to guarantee that they are viable; information on the agenda of formal government sessions is not publicly available on time; public consultation is not developed to a satisfactory level in all the WB countries (e.g. not implemented on time, timelines, exceptions); RIA is not developed to a satisfactory level (e.g. exceptions, low quality of RIA analysis); a lack of formal requirements and a mechanism for planning implementation of regulations, difficulties detected in the implementation of regulations and systematic practice for analysing implementation of major legislation.
- To conclude, **progress has been made in all areas of the optimization process, but fundamental improvements are still needed.** Given the Study, it can be concluded that all the WB countries have long-term strategic measures in all areas of the optimization process. However, in the future, it is necessary to improve the long-term measures and ensure the continuity of their future planning and implementation.
- All WB countries implemented (implementing) short-term and long-term **optimization measures** i.e. rightsizing measures, which were primarily oriented towards budget and staff reduction. **The effects of the implemented measures** vary from country to country regarding the following criteria: public-sector downsizing; improvement of HRM; planning improvement and standardization of public-sector pay policy, in line with the fiscal capacity of the economy; improving efficiency, productivity and service quality improvement; and strategic and budget planning, i.e. the reduction/alignment of budget expenditures. In most countries, the implemented measures affected the

improvement of all the given criteria, except in public-sector downsizing in the case of Albania, at the central level of BH, Montenegro and Kosovo, as well as in the improvement and standardization of public-sector pay policy in the case of the central level of BH and Macedonia.

Special attention in the Study is given to the importance of **regional cooperation in the optimization process**:

- **Regional cooperation** is a principle of the highest importance for political stability, security and the economic development of the WB countries. Many of the challenges facing the WB countries are not only common to them but also have a cross-border dimension, which involves their regional neighbours. Within the stabilization and association process, **regional cooperation and good neighbourly relations** are essential for stability and the region's ongoing reconciliation process. Bearing in mind the complexity of the optimization process of public administration and the current situation in specific areas of the optimization process in the individual WB countries, regional cooperation through the **exchange of experience and joint efforts** can significantly contribute to overcoming some of the national challenges and accelerating the attainment of goals in key sectors.
- The regional comparative study defines the **framework for regional cooperation for each PAR optimization process component** (PAR itself, budget, HRM, organizational efficiency and effectiveness and the decision-making process) and includes potential **areas of intervention, modes of regional cooperation** (policy development; exchange of information, know-how and experiences; networking; capacity building and the development of manuals for specific rightsizing initiatives), the role of the ReSPA and the roles of the WB countries.

2. Recommendations

This section provides the overall recommendations based on the comparative analysis in this Study. The overall conclusions are as follows:

- All countries in accordance with their current situation should continue to enhance the PAR process in order to ensure **efficient, effective and transparent planning, implementation, monitoring, evaluation and reporting systems for PAR**. In that context, it is necessary to: improve the content and substance of the concept of the PAR strategy documents; improve the methodology of PAR action planning, monitoring and reporting; increase the effectiveness and efficiency of mechanisms for coordinating implementation of PAR activities; increase the transparency of reporting on the implementation of the PAR strategies' APs.
- All countries in accordance with their current situation should continue to enhance the **budget planning and execution system** in order to ensure the existence of a PFM reform programme covering the whole budget cycle (planning, execution, monitoring and reporting) and budget transparency. In this context, it is necessary to: strengthen the MTBF (development of plans for fiscal policy measures; development of guidelines for better connection between the strategic goals of the government and the goals of the budget's programmes; establishment of a unified methodology for preparation of sector strategies that includes costing of activities for the implementation of sector strategies; enhanced planning and presentation of multiannual commitments in the budget); strengthen the preparation of the Annual Budget (analysis of current legislation and procedures; development of relevant methodologies for programming; improvement of planning and programming of external assistance; preparation of the relevant manuals, improvement of the transparency of the budget through its better visualization); improvement of capital project planning (evaluation of proposed public

investment projects; development of a methodology for monitoring the implementation of approved capital projects; harmonization of the procedures for the planning, evaluation and selection of all capital projects regardless of the source of financing, national and local budgets, EU funds and other sources and reporting), improve the system of salaries and other income of public servants (introduction of a new fair salary system, introduction of better management and the control of salaries).

- All countries in accordance with their current situation should continue to enhance **human resources management** in order to ensure merit-based recruitment and promotion, the HRM system/HRMIS, professional development, remuneration and ethics/integrity. In this context, it is necessary to: develop standards and procedures for selection of candidates for senior management positions in PA (competencies); increase competition and reduce discretion when making decisions on the selection of candidates (e.g. introduction of electronic testing of candidates); develop standards and procedures for improvement of HR planning; develop standards and procedures for functioning HR registries; establish policy and a legal framework of strategic HRM and develop instruments for strategic HRM; strengthen professional development and a training system in PA (strategic planning, effective implementation, monitoring and reporting, licences for trainers, criteria for legal entities as potential contractors); develop measurable criteria for the assessment of performance appraisal; established and keep register of the Internal labour market within the system of public administration.
- All countries should continue to enhance their **organizational efficiency and effectiveness** in accordance with their current situation in order to ensure rational organization of the state administration (on horizontal and vertical levels), as well as citizens' rights to good administration, to access to public information, to administrative justice and to compensation. In this context, it is necessary to: develop a standard methodology for conducting analysis regarding functional and financial effects of PA institutions; improve decentralization and de-concentration of the state administration by enhancing the analytical and strategic framework; continue simplification and acceleration of administrative procedures (the preparation/implementation of new laws of administrative procedures and administrative disputes; harmonization of special procedures predicted in separate laws/regulations – conducting of analysis); strengthening of the HR capacities of the administrative inspection; continuation of development of e-services with a high degree of user experience (for PA, education, enterprises and citizens).
- All the countries should continue to enhance **the decision-making process** in accordance with their current situation – in order to ensure an efficient, effective and transparent policy planning and coordination system, as well as inclusive and evidence-based policy and legislative development. In this context, it is necessary to: establish a comprehensive and rational system of medium-term policy planning and improve the quality and implementation rate of sector strategies (selection of appropriate methodologies, preparation of the legal and strategic framework, and strengthening of capacities); increase the transparency of the public policy management system; increase the use of modern analytical tools for drafting legislation and better quality of public consultation, RIA and ex-post analysis (improve the strategic and legal framework, procedures and strengthening of capacities).
- All the optimization issues are central to **the socioeconomic policies of each WB country** and are fundamental elements of the EU accession process. Considering the national specificities and common requirements, regional cooperation in the field of the optimization of public administration should be established on the basis of a specific Regional Programme. This programme should provide a framework to assist governments in the region to implement their individual development strategies, including EU-accession-related goals, by enhancing national efforts through focused regional cooperation on those specific issues that can benefit from a shared approach.
- **The possible modes of cooperation in the framework of regional cooperation** depending of specific optimization areas should be: **policy development** (conducting

studies, assessments and research; making recommendations; support in the preparation of the strategic documents and legal framework; preparation of regional and national guidelines and manuals, policy forums and expert missions); **networking** (the organization of conferences; professional symposiums; web sites/links: information available about relevant documents, events, trainings, seminars, workshops), **capacity building** (training, seminars), and **development of specific manuals for different rightsizing initiatives**. The potential areas of intervention and models of regional cooperation are presented in detail in Chapter IV.2.

- Bearing in mind ReSPA's competences and organization capacity, as well as the previous efforts and results regarding PAR, **ReSPA is recognized as a regional coordinator of activities related to the preparation and successful realization of this regional initiative**. A Regional Programme for the optimization of public administration in the WB countries should be developed and implemented in close cooperation with ReSPA and the WB countries in accordance with their specific roles.

V

PËRFUNDIME DHE REKOMANDIME

Administratat publike duhet të jenë të afta të kapin ritmin e kërkesave sociale, ekonomike dhe teknologjike që ndryshojnë shpejt për të plotësuar përgjegjësitë e tyre për mbrojtjen e interesit publik pa vënë në rrezik ndryshimet e domosdoshme. Nevoja për të përmirësuar konkurrueshmërinë, shqetësimet për qendrueshmërinë fiskale dhe kërkesat në rritje për shërbime më të mira publike me kosto më të ulta kanë nxitur reforma të gjera në sektorin publik, duke përfshirë përpjekjet për të bërë efektive administratën publike si edhe nismat e fundit për të përmirësuar cilësinë e rregulloreve dhe për të zvogëluar kostot administrative. Një ekonomi efektive varet drejtpërdrejt nga një qeveri/administratë publike po aq efektive.

Rëndësia shtesë e **optimizimit të programeve dhe masave në administratën publike** vjen si rezultat i krizës ekonomike, dhe në shumë vende janë imponuar politika shumë të rrepta për të ulur deficitin publik. Megjithatë, është e rëndësishme të theksohet që në fillim se optimizimi shpesh kuptohet gabim si një çështje që ka të bëjë me pakësimin e numrit të punonjësve. Ky nuk është synimi i procesit të optimizimit. Optimizimi i administratës publike përfshin presionin e vazhdueshëm që punonjësit dhe burimet e tjera të përdoren sa me më shumë efikasitet të jetë e mundur, me përzierjen e duhur të aftësive të punonjësve dhe emërimit të personelit dhe caktimit të buxhetit operacional në përputhje me politikat publike dhe prioritetet e tyre. Prandaj, politika e optimizimit shihet si një pjesë e një reforme më të gjerë gjithëpërfshirëse të administratës publike. Optimizimi mbështetet tek një numër instrumentesh për të modernizuar qeverinë, përmirësuar efektivitetin, ulur kostot, rritur efikasitetin, racionalizuar fuqinë punëtore, dhe përmirësuar cilësinë e shërbimeve publike. Optimizimi i administratës publike duhet të kuptohet si një pjesë përbërëse e reformës së vazhdueshme administrative, që mund të përkufizohet si një përmirësim sistematik i performancës dhe i rezultateve të veprimtarisë së punës së administratës publike.

Procesi i optimizimit kërkon përmirësime të dukshme të administratës publike përmes reformave të thella në **fushat** e mëposhtme: financat publike (planifikimi dhe ekzekutimi i buxhetit), sistemi i shërbimit civil, organizimi dhe funksionimi i administratës publike, ofrimi i shërbimeve publike dhe procesi i vendimarrjes (përfshirë procesin legjislativ). Duke pasur parasysh se këto fusha janë të ndërlidhura dhe të ndërvarura, reformat duhet të organizohen, të bashkërendohen dhe të zbatohen mirë. Rezultatet e monitorimit duhet të jenë të matshme dhe sistemi i raportimit duhet të jetë transparent.

Duke pasur parasysh rëndësinë e procesit të optimizimit, **Studimi Krahasues në nivel rajoni me një analizë bazë** "Optimizimi i administratës publike në rajonin e Ballkanit Perëndimor" përfshin tema për origjinën, rolin dhe kronologjinë e politikës së optimizimit në administratën publike, situatën e optimizimit në Shtetet Anëtare të EU-së duke vënë në dukje efektet e suksesshme, si edhe tema për rëndësinë e optimizimit për vendet e Ballkanit Perëndimor duke u përqendruar tek politika e zgjerimit e EU-së, reforma në administratën publike dhe strukturimi, kostot dhe efektet në administratën publike. Po ashtu, studimi jep një përmbledhje të politikave dhe mekanizmave të optimizimit në rajonin e Ballkanit Perëndimor duke treguar fushat e veprimit, masat e zbatuara në kuadër të procesit të reformës në administratën publike, mbështetjen e IPA-s për procesin PAR, shembuj të masave të zbatuara për politikën e optimizimit – objektivat dhe efektet dhe praktikatat më të mira. Më

tej, studimi vë theksin tek rëndësia e bashkëpunimit rajonal të vendeve të Ballkanit Perëndimor në procesin e optimizimit dhe tregon kuadrin e mundshëm për bashkëpunim në të ardhmen. Së fundi, studimi përmban një tablo të përgjithshme të treguesve të përzgjedhur ekonomikë dhe rekomandimet e vendeve (Shtojca 1) si edhe analizën SWOT (në nivel rajonal dhe kombëtar) tek Shtojca 2.

Ky punim është rezultat i studimit dhe analizës së aspekteve ekonomike dhe ligjore të politikave të optimizimit në rajon dhe më gjerë në vendet e EU-së dhe të OECD-së. Autorët e studimit kryen studim të dokumenteve dhe legjislacioneve përkatëse si edhe shqyrtim dhe analizë të pyetësorit të plotësuar nga vendet anëtare të ReSPA-s, në bashkëpunim të ngushtë me punonjësit ndërlidhës të ReSPA-s.

Të dhënat kryesore ekonomike dhe ligjore janë mbledhur duke u mbështetur tek të dhënat zyrtare statistikore, të dhënat e Ministrive të Financave, të dhënat e Bankave Qendrore, zyrës së punës, ministrive përgjegjëse për reformën e PAR-it, raportet e EC-së dhe SIGMA/OECD-së dhe tek të dhënat e mbledhura përmes pyetësorit të plotësuar edhe nga pikat e kontaktit të ReSPA-s në të gjitha strukturat e PAR-it në rajon, për vitet 2014 dhe 2015.

1. Përfundime

Optimizimi i administratës publike mund të përcaktohet si një proces ose metodologji e bërjes së administratës publike sa më plotësisht funksionale ose efektive të jetë e mundur. Administratat publike duhet të jenë të afta të kapin ritmet e shpejta të ndryshimeve shoqërore, ekonomike dhe teknologjike për të realizuar përgjegjësitë e tyre për mbrojtjen e interesit publik. Duke pasur parasysh që një ekonomi e optimizuar varet drejtpërdrejt nga një optimizim i njëjtë i administratës, politikëbërësit duhet të ndërmarrin hapa që lejojnë forcimin e kapaciteteve të administratës publike për të qenë të afta të ndjekin prirjet e ekonomisë.

Cilësia e administratës publike është një element vendimtar i **konkurrueshmërisë** dhe një faktor i rëndësishëm i përparimit në tërësi të shoqërisë. Presioni i vazhdueshëm mbi financat publike po nxit ndryshime të mëdha dhe ristrukturimin e sektorit publik. Megjithatë, këto ndryshime duhet të kthehen në një mundësi. Duke konsideruar se reforma e administratës publike është një proces i vazhdueshëm, është e nevojshme t'i jepet një shtysë, impuls i ri në rrethanat aktuale.

Optimizimi gradual, si pasojë e nevojës për përshtatje ndaj ndryshimeve globale, është një proces kryesor i administratave publike në shoqëritë moderne. Shumë Shtete Anëtare të EU-së dhe vende të tjera të zhvilluara kanë përvojë relativisht të gjatë në optimizimin dhe ristrukturimin e administratës së tyre publike. Politikat për madhësinë, strukturën dhe kostot e administratës publike dhe veçanërisht, për shpenzimet për nëpunësit publikë dhe punonjësit çojnë në objektivat kryesore: rritja e efikasitetit dhe efektivitetit në sektorin publik; përmirësimi i koordinimit dhe i ofrimit të shërbimeve publike; ulja e deficitit në buxhet; dhe trajtimi i efektit të ndryshimeve demografike dhe i vjetërimit të popullsisë si kërkesë shtesë për shërbime publike. Kjo qasje ndikon tek anëtarët e ReSPA-s të optimizojnë administratat e tyre publike.

Kriza e fundit financiare dhe ekonomike ka shtyrë shumë qeveri në **Shtetet Anëtare të EU-së** të ndërmarrin masa të ndryshme në lidhje me optimizimin e administratave publike për t'i bërë ato më efikase dhe për të plotësuar pritshmëritë e qytetarëve. Përfundimet e përgjithshme janë si më poshtë:

- Analiza e Shteteve Anëtare të përzgjedhura (Estoni, Letoni, Portugali, Irlandë, Finlandë, dhe Holandë) ka treguar se të gjitha ato kanë **kryer reforma në administratat e tyre publike**, të cilat ndryshojnë shumë nga njeri vend në tjetrin. Këto qasje të ndryshme pasqyrojnë pika të ndryshme fillimi, tradita të ndryshme ligjore dhe institucionale si edhe shkaqe të ndryshme të paaftësisë së sektorit publik. Gjithësesi, me gjithë këto ndryshime, me qëllim optimizimin e administratave publike, të gjitha këto vende duket se e përqendrojnë vëmendjen e tyre kryesisht tek masat që lidhen me buxhetin, menaxhimin e burimeve njerëzore, efikasitetin dhe efektivitetin e organizimit përfshirë qeverisjen elektronike (e-Government), dhe procesin e marrjes së vendimeve.
- Pjesa e shpenzimeve të qeverisë për shpërblimin e punonjësve është **10.14%** e GDP-së në vitin 2015 në nivel të EU-së. Ky tregues është i ndryshëm midis Shteteve Anëtare (nga 16% deri në 8,4%). Numri i punonjësve në administratën publike, në sektorët e mbrojtjes, arsimit dhe shërbimeve sociale përfaqëson **23,6%** të numrit të përgjithshëm të punonjësve të regjistruar.
- Shumica e Shteteve Anëtare zbatuan **masa afatshkurtra**, të cilat u orientuan kryesisht tek buxheti dhe shkurtimi i personelit, përveç Finlandës dhe Holandës. Këto dy vende zgjodhën **masa strategjike afatgjata** duke mbuluar fusha të rëndësishme për procesin e optimizimit.
- **Rezultatet e optimizimit të administratës publike** janë si më poshtë: riorganizimi; qasja për rristurimin e administratës publike; zhvillimi i qeverisjes elektronike dhe i shërbimeve elektronike; efikasiteti dhe efektiviteti i administratës publike; zvogëlimi i shpenzimeve qeveritare; transparenca dhe hapja e administratës publike; përmirësimi i rregulloreve dhe ulja e barrës administrative; rritja e cilësisë së shërbimeve publike; lufta kundër korrupsionit në shërbimet publike; fokusimi tek rezultatet; racionalizimi i strukturës së organizimit të qeverisjes qendrore; modernizimi i menaxhimit të burimeve njerëzore në shërbimet publike.

Të përballur me mungesën fiskale, por gjithashtu edhe me nevojat në rritje, veçanërisht në ecjen përpara drejt integritetit në Bashkimin Europian, **qeveritë në vendet e Ballkanit Perëndimor** po përpiqen të arrijnë optimizimin e administratës publike, d.m.th. të zhvillojnë një strukturë më efikase të administratës të aftë të “bëjë më shumë me më pak burime”. Në të njëjtën kohë, administratave shtetërore iu kërkohet të “bëjnë ndryshe: një përzgjedhje më e madhe llojeve të reja të shërbimeve e detyron sektorin publik të krijojë një numër strukturash që t’u përshtaten kërkesave specifike ose fushave të caktuara.

Analiza e **vendeve të Ballkanit Perëndimor** për çështjet e optimizimit ka treguar se të gjitha vendet kanë disa pika të forta dhe disa pika të dobëta. Përfundimet e përgjithshme janë si më poshtë:

- Vendet e Ballkanit Perëndimor janë angazhuar fuqimisht për **integrimin në EU** me qëllim që të sigurojnë shoqëri demokratike të qëndrueshme, të zhvilluara dhe funksionale. Në rastin e vendeve të Ballkanit Perëndimor procesi për integrimin në EU është një faktor i fuqishëm për ndryshime. Ndikimi i procesit të integritetit evropian ka dy spekte. Nga njëra anë sjell vende të reja pune dhe rritjen e numrit të nëpunësve civilë në institucionet shtetërore. Përveç kësaj, nga ana tjetër, integrimi evropian nxit administratën publike drejt reformave në përputhje me parimet e Hapësirës Administrative Europiane, që çon në përmirësimin e efikasitetit dhe racionalizimit në tërësi të sferës publike.
- Vëmendja e qeverive të vendeve të Ballkanit Perëndimor drejtohet tek plotësimi i kritereve me qëllim arritjen e objektivave. Sfida e procesit të integritetit stimulon zhvillimin e mëtejshëm të organizimit dhe funksionimit të institucioneve në secilin vend, të cilat duhet të jenë të afta të menaxhojnë një tranzicion kompleks në të gjitha fushat politike, ekonomike dhe sociale në përputhje me parimet e EU-së.
- Të gjitha vendet e rajonit kanë **firmosur dhe filluar të zbatojnë Marrëveshjet e Stabilizimit Asocimit**. Hapi tjetër i rëndësishëm në procesin drejt hyrjes në EU është dorëzimi i aplikimeve për anëtarësim dhe vlerësimi pozitiv i përgatitur nga Komisioni,

gjë që lejon vendin të bëhet një vend kandidat. Mali i Zi dhe Serbia kanë filluar me EU-në negociatat për anëtarësim, ndërsa Shqipëria dhe Maqedonia janë vende kandidatë, dhe Bosnja dhe Hercegovina dhe Kosova janë vende kandidatë të mundshme për anëtarësim në EU.

- Në fillim të vitit 2016, vendet e rajonit dorëzuan "gjeneratën" e dytë të **Programeve të Reformës Ekonomike** për periudhën 2016-2018. Kjo është një qasje graduale drejt mekanizmit të ri të EU-së të qeverisjes ekonomike (semestri evropian) nga vendet e Ballkanit Perëndimor.
- **Të gjitha vendet e Ballkanit Perëndimor kanë kuadre përkatëse institucionale të PAR-it**, strukturë të përshtatshme politike në nivel të qeverisë, si edhe një ministri përgjegjëse për reformën në administratën publike. Përveç këtyre, në procesin e PAR-it janë përfshirë edhe organe të tjera të administratës publike në përputhje me kompetencat e tyre në kuadër të fushave përkatëse të optimizimit.
- Në periudhën e mëparshme, vendet e Ballkanit Perëndimor kanë kaluar në **disa cikle të PAR-it** duke prodhuar dy ose më shumë dokumente strategjike në këtë fushë. Kjo tregon se qeveritë janë të **angazhuara për reformimin e administratave publike**. Shumica e vendeve (Shqipëria, Mali i Zi, Serbia, Kosova) kanë dokumente strategjike të PAR-it bashkë me Planet e Veprimit. Në Maqedoni, dokumenti i ri për strategjinë e PAR-it dhe Plani i Veprimit që përfshijnë periudhën 2017-2022 po përgatiten. Në Bosnje dhe Hercegovinë, ka skaduar afati kohor i PAR AP1, kështu që mungon ky dokument dhe është në procesin e përgatitjes një strategji e re për PAR-in. Të gjitha dokumentet e strategjive parashikojnë mekanizma për **monitorimin dhe raportimin**. Gjithësesi, përmbajtja e dokumenteve të strategjisë është më shumë e orientuar tek sistemi i shërbimit civil, organizimi dhe funksionimi i administratës publike, ofrimi i shërbimeve publike dhe procesi i vendimmarrjes, dhe më pak tek përmirësimi i qeverisjes buxhetore. Përveç këtyre, **metodologjitë** për përgatitjen e planeve të veprimit janë të ndryshme nga vendi në vend. Së fundi, për raportimin nuk parashikohet gjithmonë koha dhe nuk është transparent (p.sh. Maqedonia, Kosova).
- Të gjitha vendet e Ballkanit Perëndimor kanë **dokumente të posaçme strategjike** që janë të ndryshme nga vendi në vend në varësi të fushave specifike të optimizimit (p.sh. plani i qeverisë, PFM, zhvillimi profesional i nëpunësve civilë/lokalë, antikorrupsioni, zhvillimi i informacionit, qeverisja elektronike).
- Të gjitha vendet e Ballkanit Perëndimor kanë krijuar **kuadër ligjor** për të gjitha fushat e procesit të optimizimit. Megjithatë, harmonizimi i kuadrit ligjor me ligjet europiane në fushat përkatëse është i ndryshëm nga vendi në vend në varësi të statusit të vendit në procesin drejt anëtarësimit në EU.
- Raportet e Komisionit Evropian (2015), analizat e SIGMA-s (2015), dhe dokumentet dhe legjislacionet kombëtare kanë ofruar një **tablo të detajuar të situatës në të gjitha fushat e optimizimit**.
- Politika e zgjerimit e EU-së përfshin asistencë financiare të kanalizuar kryesisht përmes **Instrumentit për Asistencën Para-Anëtarësimit (IPA)**. Fondet e IPA-s ndërtojnë kapacitetet e vendeve gjatë të gjithë procesit të para-anëtarësimit, duke sjellë zhvillime progresive, pozitive. Në fillim të procesit të programimit të IPA II, sektorët që do të mbështeten nga IPA II janë identifikuar dhe shpjeguar tek Dokumenti Strategjik Kombëtar Indikativ i vendit i të gjitha vendeve pjesëmarrëse në IPA II. Mbështetja e IPA II është planifikuar përmes një **qasje sektoriale** në varësi të prioritetëve kombëtarë të secilit vend individualisht. Këto prioritete janë të lidhura me prioritetet e reformave demokratike dhe ekonomike si edhe me prioritetet e fazës aktuale të procesit të integritetit evropian. Përfitimet e mundshme kryesore për vendet përfituese janë: rritja e ndikimit të asistencës së EU-së duke ofruar një stimul për zbatimin e reformave në nivel sektori më shumë sesa zbatimi i projekteve të izoluar; përmirësimi i rritjes së kapaciteteve meqë vendi përfitues duhet të plotësojë kriteret e caktuara për t'u kualifikuar për mbështetje buxhetore, në veçanti një kuadër të qendrueshëm makro-ekonomik dhe menaxhim të shëndoshë të financave publike; dhe një lidhje më e qartë midis axhendës politike që

- kërkon reformat në sektor dhe asistencës financiare për të mbështetur reforma të tilla.
- Në lidhje me numrin e **punonjësve të punësuar në Qeverinë e Përgjithshme - GG** (ose në seksionet O,P dhe Q të NACE2.rev classification²¹⁸) si % e numrit të përgjithshëm të punonjësve të regjistruar, niveli më i lartë është në BA – 29,4% dhe ME (26,1%), ndjekur nga RS, KS dhe MK. Ky tregues në Shqipëri është shumë i ulët në krahasim me mesataren e rajonit, vetëm 13,3%; është interesante se treguesi për EU13 është më i ulët se EU28 dhe treguesi WB6 (EU13- 20,3%, EU 28 – 23,6%, dhe WB – 22,8%). Këto të dhëna kërkojnë vëmendjen e plotë të qeverive për politikën e optimizimit, d.m.th. **nismat për strukturën e duhur** (përfshirë Shqipërinë).
 - Në nivel të përgjithshëm, numri i punonjësve në ministri, shërbime të ndryshme dhe institucione publike po zvogëlohet në periudhën 2014-2015. Shkurtimi më i madh ishte në Serbi (-2,8) dhe Maqedoni (-1), simbolike në Malin e Zi (-0,2), ndërsa ky numër u rrit në Bosnje dhe Hercegovinë dhe Kosovë. Shqipëria mbajti pothuajse të njëjtin nivel të punonjësve. Në të njëjtën periudhë, numri i përgjithshëm i punonjësve të regjistruar u rrit me 5,7% (në sajë të rritjes, në Kosovë 9,1%, Serbi 8,1% dhe Shqipëri 5,1%). Duke ndjekur prirjet e punësimit në përgjithësi, ndryshimi i përqindjes së punësimit në sektorët e përmendur më sipër në punësimin e përgjithshëm është relativisht më i lartë në Serbi, Kosovë dhe Maqedoni.
 - “Ushtria” e 1,07 milion punonjësve të administratës publike në rajonin e Ballkanit Perëndimor duhet të ofronin në mënyrë efikase shërbime të ndryshme publike për 18,3 milion banorë në vitin 2015. Në krahasim me **numrin mesatar të punonjësve në qeverinë e përgjithshme** në vendet e **EU-së për 100.000 banorë, në rajon është 5.881**, ndërsa treguesi në EU është 10.713 (82% më i lartë) dhe për EU13 (Shtetet “e reja” Anëtare) është 9.029 (53% më i lartë). Ky tregues është më i larti në ME (7.250) dhe RS (7.048), ndërsa treguesi më i ulët është në Shqipëri (4.463) dhe Kosovë (4.531). Në Europën Lindore ky tregues është më i lartë se sa mesatarja e EU-së. Prandaj, duke pasur parasysh nivelin e ulët të GDP-së dhe të kapaciteteve buxhetore të GG-së, administratat publike në rajon duhet të bëjnë më shumë përpjekje për cilësinë e shërbimeve publike që iu ofrohen qytetarëve dhe bizneseve – **nisma për efikasitetin dhe efektivitetin**.
 - **Shpërblimi për punësimin në qeverinë e përgjithshme si % e GDP-së** ndryshon midis vendeve përfituese të ReSPA-s (mesatarja 9,1%). Niveli më i lartë është në BA, ME dhe RS, ndërsa më i ulëti është në MK dhe AL. Kosova është gjithashtu nën mesataren e rajonit. Meqë në EU28 ky tregues është 10,1% me plan për uljen graduale të këtij treguesi, BA, ME dhe RS duhet të ndjekin këtë tendencë dhe të harmonizojnë nivelin e këtij treguesi me mesataren e EU28 dhe EU13 (në përputhje me nivelin e GDP të ekonomive të tyre). Megjithatë, HR, SI dhe EE nuk planifikuan të zvogëlonin këtë tregues tek niveli i EU28 deri në vitin 2017 (ato do ta mbajnë 11,3-11,5).
 - Shpërblimi për punën në GG si % e GDP-së duhet të jetë më shumë në përputhje me **kapacitetet e ekonomisë reale të matura me GDP/pc në PPS**, duke pasur parasysh se mesatarja në EU13 është 71, në HR, SI dhe EE është përkatësisht 58, 83 dhe 74.
 - Në lidhje me **treguesin WGI**, përfituesit e ReSPA-s e kanë shumë më të ulët se mesatarja e EU-së (EU 28 – 3,6, EU 13 – 3,3 dhe WB 6 – 2,4) dhe Shtetet Anëtare të përzgjedhura (HR – 3,2, SI – 3,5 dhe EE -3,5).
 - Duke trajtuar sfidat e përbashkëta të reformës dhe reagimet e vendeve ndaj këtyre sfidave, fokusi i analizës rajonale tek kapitulli III.4 është tek madhësia, kostot dhe efektiviteti i PAR-eve në vendet përfituese të ReSPA-s. Nuk ka **lidhje të drejtpërdrejtë** ndërmjet madhësisë së qeverisë (më e vogël) dhe efikasitetit të shpenzimeve (më të larta), ose madhësisë së shpenzimeve dhe treguesit të cilësisë së qeverisë. Struktura komplekse të faktorëve të ndryshëm politikë, ligjorë, ekonomikë dhe institucionalë që ndikojnë në rezultatin përfundimtar të efektivitetit të reformës administrative ekzistojnë në çdo vend të rajonit të Ballkanit Perëndimor.

218 Për disa vende, janë përdorur të dhënat e disponueshme nga klasifikimi NACE.rev2 për seksionet O, P dhe Q. I njëjti shpjegim u përdor për analizën krahasuese në EU tek kapitulli I i këtij studimi.

- Kur flitet për optimizimin e PAR-it, nismat për reformën kombëtare mund të klasifikohen sipas aspekteve të mëposhtme: **masat buxhetore** (p.sh. zvogëlimi i buxhetit, ngirja e rrogave në administratën publike, hartimi i një politike të vetme për pagat e Qeverisë së Përgjithshme, d.m.th. sistemi i pagave); **masat për menaxhimin e burimeve njerëzore** (p.sh. programet për pensionim të hershëm, kufiri për numrin maksimal të punonjësve në çdo institucion, krijimi dhe mbajtja e të dhënave për tregun e brendshëm të punës, mobiliteti dhe rialokimi i punonjësve, struktura e karrierës, ndryshimet në sistematizimin dhe përshkrimin e punës sipas planit të burimeve njerëzore); **masat që lidhen me ndryshimet në kuadër të efikasitetit dhe efektivitetit të organizimit** (p.sh. hartimi i kërkesave procedurale më efikase për rregullimet brenda qeverisë dhe forcimi i kontrollit brenda administratës – përmes nismave të ICT si aspekti më i rëndësishëm i procesit të optimizimit dhe një shtytës shumë i madh për ndryshime; zhvillimi i “qeverisjes së hapur” dhe prezantimi i qeverisjes elektronike, me rritjen e praktikës së konsultimeve me publikun); **masat për reformimin e procesit të vendimmarrjes** (p.sh. mekanizmat e planifikimit strategjik dhe të koordinimit, RIA, standardet e kontrollit *ex ante* të tilla si vlerësimet e ndikimit të rregulloreve të reja).
- Në lidhje me **menaxhimin e buxhetit**, mund të arrihet në përfundimin se janë ngritur proceset buxhetore dhe përgjithësisht përfshijnë programe buxhetore afatmesme. Është përcaktuar kalendari i buxhetit vjetor dhe janë në veprim sistemet e menaxhimit fiskal. Sistemi i thesarit siguron kontrolle dhe Ministrinë e Financave kanë qenë në gjendje të kufizojnë shpenzimet publike. Po ashtu, ekzistojnë edhe kushtet bazë për transparencën e buxhetit.
- Në përgjithësi, sistemi i menaxhimit të burimeve njerëzore është zhvilluar në të gjitha vendet e rajonit. Statusi i nëpunësve civilë dhe i punonjësve të tjerë në institucionet e administratës publike përcaktohet në ligjet për nëpunësit civilë dhe në ligjet e tjera përkatëse. Profesionalizimi i nëpunësve civilë të rekrutuar mbi bazën e meritës dhe ngritja në detyrë mbrohen në ligjet për nëpunësit civilë dhe aktet e tjera nënligjore. Kriteret dhe procesi i pushimit nga puna dhe i procedurave disiplinore, përfshirë mundësinë për apelim, garantohen në ligje. Sistemet e informacionit për burimet njerëzore dhe regjistrat qendrorë të shërbimit civil ekzistojnë. Po ashtu, sistemet e pagave dhe të shpërblimeve përcaktohen në ligje dhe akte nënligjore. Rregullat dhe protokollet e përgjithshme për zhvillimin profesional ekzistojnë. Edhe vlerësimi i performancës parashikohet në to. Janë krijuar kuadret ligjore për etikën që përmbajnë një numër masash legjislative që parandalojnë korrupsionin dhe nxisin integritetin në administratën publike.
- Parakushtet për **efikasitetin dhe efektivitetin e organizimit** janë garantuar. Organizimi dhe përgjegjësitë e administratave publike parashikohen në rregullore. Ekziston kuadri ligjor për aksesin në informacionin publik, duke përfshirë edhe detyrimin për shpërndarjen e tij në mënyrë aktive. Janë ngritur mekanizmat e kontrollit të brendshëm dhe të jashtëm të organeve të administratës shtetërore. Politika për përmirësimin e shërbimeve publike është përfshirë në dokumentet strategjike dhe qeveritë janë të angazhuara për një administratë të orientuar tek përdoruesit. Aktivitetet që synojnë uljen e barrës administrative orientohen kryesisht drejt bizneseve. Legjislacioni mbi procedurat e përgjithshme administrative përgjithësisht i plotëson standardet për një administratë të mirë. Shërbimet elektronike janë të shumta dhe po rritet përqindja e pranimit të tyre nga qytetarët.
- Në fushën e **procesit të vendimmarrjes**, ekzistojnë baza ligjore dhe strukturat institucionale, përfshirë ato për integrimin europian, për të garantuar një sistem konsistent të vendimmarrjes. *Janë krijuar baza ligjore dhe strukturat institucionale për zbatimin efektiv të konsultimeve me publikun dhe bashkëpunimin me sektorin e NGO-së.* Teknikat moderne legjislative (Rregullat e shkrimit legjislativ, Vlerësimi i ndikimit të rregulloreve – RIA, Derregullimi dhe thjeshtimi i rregulloreve) janë futur. Në të gjitha vendet, legjislacionet kombëtare gjenden në formë elektronike përmes fletoreve zyrtare.

Megjithatë, studimi ka vënë në dukje disa pika të dobëta të procesit të optimizimit në lidhje me fushën specifike të këtij procesi. Pikat e dobëta kryesore janë si më poshtë:

- **Procesi PAR** – mungesa e përputhshmërisë së proceseve të PAR-it; mungesa e përbajtjes konsistente të strategjive të PAR-it; mungesa e përputhshmërisë së planifikimit sektorial dhe planifikimit financiar afatmesëm dhe mungesa e metodologjisë përkatëse për këtë proces; mungesa e mekanizmit efikas për matjen e ndikimeve në buxhet.
- **Sistemi buxhetor** – propozimet për buxhetin vjetor nuk përmbajnë të gjithë informacionin e nevojshëm; transparenca e buxhetit nuk garantohet si gjithëpërfshirës, në kohë dhe i besueshëm; planifikimi i fondeve të IPA-s nuk është i njëjtë në nivel rajoni për koordinimin për përgatitjet e Kuadrit Buxhetor Afatmesëm.
- **Sistemi i Menaxhimit të Burimeve Njerëzore** – politizimi dhe kapacitetet e kufizuara; shumë punonjës në administratën publike që ushtrojnë funksione shtetërore kryesore pa statusin e nëpunësit civil; mungesa e një metodologjie për të përcaktuar numrin e nevojshëm të nëpunësve civilë dhe punonjësve të tjerë në administratën publike; në praktikë procedurat e përzgjedhjes dhe të emërimit të drejtuesve të lartë nuk garantojnë rekrutimin mbi bazë të meritës; mungesa e sistemit të besueshëm të përzgjedhjes transparente bazuar vetëm tek kriteret profesionale (kompetencat); sistemet e informacionit të menaxhimit të burimeve njerëzore dhe regjistrat qendrorë të shërbimit civil nuk janë të zhvilluar plotësisht; mungesa e instrumenteve për vlerësimin e punës për të pasur një sistem më të drejtë për rrogat dhe shpërblimet; mungesa e planifikimit strategjik të zhvillimit dhe trajnimit profesional për autoritetet e administratës publike; mungesa e kriterëve të vlerësimit të performancës.
- **Efikasiteti dhe efektiviteti i organizimit** – një numër i madh i organeve publike pa udhëzime të qarta se cila formë ligjore është e përshtatshme për cilat detyra (p.sh. agjencitë publike); mungesa e analizës sistematike për organizimin dhe funksionimin e autoriteteve të administratës publike; cilësia dhe efektiviteti i kostos së shërbimeve nuk i nënshtrohen analizës së rregullt dhe institucionet publike nuk kërkojnë opinionin e qytetarëve; pavarësia e institucionit të Avokatit të Popullit është e kufizuar në disa fusha (p.sh. për emërimet, menaxhimin financiar) dhe zbatimi i rekomandimeve është në nivel të ulët; zbatimi praktik i të drejtës për informim komplikohet nga një numër problemesh, duke përfshirë një numër jashtëzakonisht të gjerë të përjashtimeve dhe monitorim të pamjaftueshëm të pavarur; legjislacioni i ri për procedurat e përgjithshme administrative nuk është hartuar në të gjitha vendet e Ballkanit Perëndimor; numri i shërbimeve elektronike për qytetarët përmes portaleve të qeverisjes elektronike është i kufizuar, ashtu siç është edhe numri i shërbimeve që ofrojnë mundësi për veprime; mungesa e sistemit të matjes së nivelit të kënaqësisë së konsumatorit me shërbimet publike ekzistuese.
- **Procesi i vendimmarrjes** – sistemi i planifikimit afatmesëm nuk është siguruar në të gjitha vendet e Ballkanit Perëndimor dhe, edhe aty ku ekziston, mungon një qasje gjithëpërfshirëse dhe përputhshmëri e qartë e dokumenteve të politikave afatmesme me strategjinë fiskale; koordinimi i planifikimit afatmesëm nuk është rregulluar, duke përfshirë vendimet rreth miratimit të strategjive sektoriale; raportimi i rregullt për zbatimin e strategjive të hartuara nuk është garantuar dhe transparenca është në nivel të ulët; aktivitetet në planin EI nuk janë prioritetizuar qartë dhe informacioni për kërkesat buxhetore nuk është i mjaftueshëm për të garantuar që ato të jenë të zbatueshme; informacioni për mbledhjet formale të qeverisë nuk bëhet gjithmonë publik; konsultimi me publikun nuk është zhvilluar në një nivel të kënaqshëm në të gjitha vendet e Ballkanit Perëndimor (p.sh. nuk zhvillohet në kohë, koha e duhur, përjashtimet); RIA nuk është zhvilluar në nivel të kënaqshëm (p.sh. përjashtimet, cilësi e ulët e analizës së RIA-s); mungesa e kërkesave formale dhe e mekanizmit për planifikimin e zbatimit të rregulloreve zbulon vështirësi në zbatimin e rregulloreve dhe në praktikën sistematike për analizën e legjislacionit kryesor.
- Për të përfunduar, **progres u bë në të gjitha fushat e procesit të optimizimit, por ende nevojiten përmirësime themelore**. Sipas studimit, mund të arrihet në përfun-

dimin se të gjitha vendet e Ballkanit Perëndimor kanë masa strategjike afatgjata në të gjitha fushat e procesit të optimizimit. Megjithatë, në të ardhmen është e nevojshme të përmirësohen masat afatgjata dhe të garantohet vazhdimësia e planifikimit dhe e zbatimit të tyre në të ardhmen.

- Në të gjitha vendet e Ballkanit Perëndimor janë zbatuar **masa** afatshkurtra dhe afatgjata për **optimizimin**, d.m.th. masa strukturore që u orientuan kryesisht drejt shkurtimeve në buxhet dhe në personel. **Efektet e masave të zbatuara** janë të ndryshme nga vendi në vend për kriteret e mëposhtme: zvogëlimi i sektorit publik; përmirësimi i menaxhimit të burimeve njerëzore; planifikimi i përmirësimit dhe i standardizimit të politikës së pagave në sektorin publik në përputhje me kapacitetin fiskal të ekonomisë; përmirësimi i efikasitetit, produktivitetit dhe cilësisë së shërbimit; planifikimi strategjik dhe i buxhetit, d.m.th. zvogëlimi/përputhja e shpenzimeve buxhetore. Në shumicën e vendeve, masat e zbatuara ndikuan në përmirësimin e të gjitha kriterëve të dhëna, veçanërisht në zvogëlimin e sektorit në rastin e Shqipërisë, nivelit qendror të Bosnje dhe Hercegovinës, Malit të Zi dhe Kosovës, si edhe në përmirësimin dhe standardizimin e politikës së pagave në sektorin publik në rastin e nivelit qendror të Bosnje dhe Hercegovinës dhe Maqedonisë.

Në studim, vëmendje e posaçme i kushtohet rëndësisë së **bashkëpunimit rajonal në procesin e optimizimit**:

- **Bashkëpunimi rajonal** është një parim me një rëndësi të madhe për stabilitetin politik, sigurinë dhe zhvillimin ekonomik të vendeve të Ballkanit Perëndimor. Shumë prej sfidave me të cilat përballen vendet e Ballkanit Perëndimor nuk janë të zakonshme vetëm për to por edhe kanë një dimension ndërkombëtar, që përfshin fqinjët e tyre rajonalë. Në kuadër të procesit të stabilizimit dhe asociimit, **bashkëpunimi rajonal dhe marrëdhëniet e mira me fqinjët** janë thelbësore për stabilitetin dhe procesin e vazhdueshëm të pajtimit në rajon. Duke pasur parasysh kompleksitetin e procesit të optimizimit të administratës publike dhe situatën aktuale në fusha specifike të procesit të optimizimit në vendet individuale të Ballkanit Perëndimor, bashkëpunimi rajonal përmes **shkëmbimit të përvojave dhe përpjekjeve të përbashkëta** mund të kontribuojnë shumë në kapërcimin e disa sfidave kombëtare dhe në përshpejtimin e arritjes së objektivave në sektorët kyç.
- Studimi krahasues rajonal përcakton **kuadrin për bashkëpunim rajonal për komponentët e procesit të optimizimit të PAR-it** (vetë PAR-i, buxheti, Menaxhimi i Burimeve Njerëzore, efikasiteti dhe efektiviteti i organizimit dhe procesi i vendimarrjes) dhe përfshin **fushat e mundshme të ndërhyrjes, mënyrat e bashkëpunimit rajonal** (zhvillimi i politikave, shkëmbimi i informacionit, njohurive dhe përvojave, rrjetëzimi, ngritja e kapaciteteve dhe shkrimi i manualeve për nisma specifike), roli i ReSPA-s dhe roli i vendeve të Ballkanit Perëndimor.

2. Rekomandime

Kjo pjesë përshkruan rekomandimet e përgjithshme mbështetur tek analiza krahasuese në këtë studim. Rekomandimet e përgjithshme janë si më poshtë:

- Të gjitha vendet, në përputhje me situatën e tyre aktuale, duhet të vazhdojnë të përmirësojnë procesin e reformës së administratës publike për të garantuar sisteme **efikase, efektive dhe transparente të planifikimit, zbatimit, monitorimit, vlerësimit dhe raportimit të PAR-it**. Në këtë drejtim, është e nevojshme të: përmirësohet përmbajtja dhe thelbi i konceptit të dokumenteve strategjike të PAR-it; përmirësohet metodologjia e planifikimit, monitorimit dhe raportimit të veprimit të PAR-it; rritet efektiviteti dhe efikasiteti i mekanizmave për koordinimin e zbatimit të aktivitetëve të PAR-it; rritet transparenca e raportimit mbi zbatimin e strategjive dhe planeve të veprimit të PAR-it.

- Të gjitha vendet, në përputhje me situatën e tyre aktuale, duhet të vazhdojnë të përmirësojnë **sistemin e planifikimit dhe të ekzekutimit të buxhetit** për të garantuar ekzistencën e një programi të reformës së Menaxhimit të Financave Publike (PFM) që mbulon të gjithë ciklin buxhetor (planifikimi, monitorimi dhe raportimi) dhe transparencën e buxhetit. Në këtë drejtim, është e nevojshme të: forcohet MTBF (zhvillimi i planeve të masave të politikës fiskale; hartimi i udhëzuesve për lidhje më të mirë ndërmjet objektivave strategjike të qeverisë me qëllimet e programeve buxhetore; përgatitja e strategjive sektoriale; rritja e planifikimit dhe prezantimi i angazhimit shumëvjeçar në buxhet); forcohet përgatitja e buxhetit vjetor (analiza e legjislacionit dhe e procedurave aktuale; zhvillimi i metodologjive përkatëse të programimit; përmirësimi i planifikimit dhe programimit të asistencës së huaj; përgatitja e manualeve përkatëse, përmirësimi i transparencës së buxhetit përmes bërjes së tij më mirë të dukshëm); përmirësohet planifikimi i projekteve kapitale (vlerësimi i projekteve të propozuar për investime publike; hartimi i metodologjisë për monitorimin e zbatimit të projekteve kapitale të miratuara; harmonizimi i procedurave për planifikimin, vlerësimin dhe përzgjedhjen e të gjitha projekteve kapitale pavarësisht burimit të financimit, buxheti kombëtar apo lokal, fonde të EU-së dhe burime të tjera dhe raportimin).
- Të gjitha vendet, në përputhje me situatën e tyre aktuale, duhet të vazhdojnë të përmirësojnë **menaxhimin e burimeve njerëzore** për të garantuar rekrutim dhe promovim mbi bazën e meritës, sistem të HRM-së/HRMIS, zhvillim profesional, shpërblym, etikë/integritet. Në këtë drejtim, është e nevojshme të: zhvillohen standarde dhe procedura për përzgjedhjen e kandidatëve për pozicionet e drejtuesve të lartë në administratën publike (kompetencat); rritet konkurrenca dhe ulet diskrecioni kur merret vendimi për përzgjedhjen e kandidatëve (p.sh. testimi elektronik i kandidatëve); hartohen standarde dhe procedura për përmirësimin e planifikimit të burimeve njerëzore; hartohen standarde dhe procedura për funksionimin e regjistrave të burimeve njerëzore; hartohet politika dhe kuadri ligjor mbi menaxhimin strategjik të burimeve njerëzore dhe zhvillohen instrumente për menaxhimin strategjik të burimeve njerëzore; forcohet zhvillimi profesional dhe sistemi i trajnimit në administratën publike (planifikimi strategjik, zbatimi, monitorimi dhe raportimi efektiv, licencat për trajnerët, kriteret për subjektet ligjore si kontraktorë të mundshëm); zhvillohen kriteret të matshme për vlerësimin e performancës; përmirësohet sistemi i pagave dhe i të ardhurave të tjera të nëpunësve civilë (prezantimi i sistemit të ri të drejtë të pagave, futja e një menaxhimi dhe kontrolli më të mirë të pagave).
- Të gjitha vendet, në përputhje me situatën e tyre aktuale, duhet të vazhdojnë të rrisin **efikasitetin dhe efektivitetin e organizimit** për të garantuar organizim racional të administratës shtetërore (në nivel horizontal dhe vertikal), si edhe të drejtat e qytetarëve për një administratë të mirë, për akses në informacionin publik, për drejtësi administrative dhe për dëmshpërblim. Në këtë drejtim, është e nevojshme të: hartohet metodologji standarde për kryerjen e analizës në lidhje me efektet në funksionet dhe financat e institucioneve të administratës publike; përmirësohet decentralizimi dhe dekoncentrimi i administratës shtetërore duke rritur sistemin analitik dhe strategjik; vazhdohet thjeshtimi dhe përsheptimi i procedurave administrative (përgatitja/zbatimi i ligjeve të reja për procedurat administrative dhe mosmarrëveshjet administrative, harmonizimi i procedurave të posaçme të parashikuara në ligje/rregullore të veçanta – kryerja e analizës); fuqizohen kapacitetet e burimeve njerëzore për inspektimin administrativ; vazhdohet të zhvillohen shërbime elektronike me një shkallë të lartë të përvojës së përdoruesit (për administratën publike, arsimin, ndërmarrjet, qytetarët).
- Të gjitha vendet, në përputhje me situatën e tyre aktuale, duhet të vazhdojnë të përmirësojnë **procesin e vendimmarrjes** – për të garantuar një sistem efikas, efektiv dhe transparent të planifikimit dhe koordinimit të politikave si edhe një politikë gjithëpërfshirëse dhe bazuar tek provat dhe zhvillim të legjislacionit. Në këtë drejtim, është e nevojshme të: ngrihet një sistem i gjerë dhe i arsyeshëm i planifikimit të politikës afatmesme dhe të përmirësohet cilësia dhe shkalla e zbatimit të strategjive sektoriale (përzgjedhja e metodologjive të përshtatshme, përgatitja e kuadrit ligjor dhe strategjik,

forcimi i kapaciteteve); rritet transparenca e sistemit të menaxhimit të politikave publike; rritet përdorimi i instrumenteve moderne analitike për shkrimin e legjislacionit dhe për një cilësi më të mirë të konsultimeve me publikun, RIA, analiza para dhe pas faktit (*ex-post analysis*) (përmirësimi i kuadrit strategjik dhe ligjor, procedurat, forcimi i kapaciteteve).

- Të gjitha çështjet e optimizimit janë kryesore për **politikat social-politike të secilit prej vendeve të Ballkanit Perëndimor** dhe janë elemente themelore në procesin e integritetit të këtyre vendeve në Bashkimin Europian. Duke marrë në konsideratë specifikat kombëtare dhe kërkesat e përbashkëta, bashkëpunimi rajonal në fushën e optimizimit të administratës publike duhet të vendoset mbi bazën e një programi të posaçëm rajonal. Ky program duhet të ofrojë një strukturë për të ndihmuar qeveritë në rajon të zbatojnë strategjitë e tyre individuale për zhvillim, duke përfshirë objektivat që lidhen me hyrjen në EU, duke rritur përpjekjet kombëtare përmes fokusimit të bashkëpunimit rajonal në ato çështje specifike që mund të përfitojnë nga një qasje e përbashkët.
- **Mënyrat e mundshme të bashkëpunimit në kuadër të bashkëpunimit rajonal** në varësi të fushës specifike të optimizimit duhet të jenë: **zhvillimi i politikave** (kryerja e studimeve, vlerësimeve dhe kërkimeve, dhënia e rekomandimeve, e mbështetjes në përgatitjen e dokumenteve strategjike dhe kuadrit ligjor, përgatitja e udhëzuesve dhe manualeve rajonalë dhe kombëtarë, e diskutimeve të politikave, misionëve të ekspertëve); **rrjetëzimi** (organizimi i konferencave, takimeve profesionale; faqja e internetit: informacion për dokumentet, aktivitetet trajnuese, seminarët), **ngritja e kapaciteteve** (trajnime, seminare), **hartimi i manualeve specifike për nismat e ndryshme për rristrukturim**. Fushat e ndryshme të ndërhyrjes dhe modelet e bashkëpunimit rajonal janë paraqitur tek kapitulli IV.2.
- Duke pasur parasysh kompetencat e ReSPA-s, kapacitetin e organizatës, si edhe përpjekjet dhe rezultatet e mëparshme në lidhje me reformën në administratën publike, **ReSPA njihet dhe pranohet si një koordinator rajonal i aktiviteteve për përgatitjen dhe realizimin me sukses të kësaj nisme rajonale**. Një program rajonal për optimizimin e administratës publike në vendet e Ballkanit Perëndimor duhet të hartohet dhe zbatohet në bashkëpunim të ngushtë midis ReSPA-s dhe vendeve të Ballkanit Perëndimor në përputhje me rolet e tyre specifike.



ZAKLJUČCI I PREPORUKE

Javna uprava mora da bude sposobna da prati brze promjene društvenih, ekonomskih i tehnoloških zahtjeva kako bi ispunila svoje odgovornosti vezano za zaštitu javnog interesa, a da pri tome ne ugrožava neophodne promjene. Potreba da se unaprijedi konkurentnost, uz brigu o očuvanju fiskalne održivosti i sve veću tražnju za boljim javnim uslugama uz manje troškove, potakle su opsežne reforme u javnom sektoru, uključujući i napore ka optimizaciji javne uprave, kao i skorašnje inicijative ka unapređenju kvaliteta propisa i smanjenju administrativnih troškova. Ekonomija koja teži optimizaciji direktno zavisi od isto takve vlade odnosno javne uprave koja teži optimizaciji.

Ekonomska kriza dala je dodatni značaj **optimizaciji programa i mjera javne uprave**, sa mnogim zemljama kojima su nametnute strožije politike radi smanjenja budžetskog deficita. Međutim, važno je na početku naglasiti da se optimizacija često pogrešno razumije kao pitanje smanjenja broja zaposlenih. To nije svrha procesa optimizacije. Optimizacija javne uprave podrazumijeva stalni pritisak na zaposlene i druge resurse da se koriste što je moguće efikasnije, uz odgovarajuću kombinaciju vještina zaposlenih, te raspoređivanja osoblja i opredjeljivanja tekućeg budžeta u skladu sa definisanim javnim politikama i njihovim prioritetima. Otuda se politika optimizacije vidi kao dio šireg programa ukupne reforme javne uprave. Optimizacija je zasnovana na nizu elemenata za modernizaciju države: optimizaciju efektivnosti; povećanje efikasnosti²¹⁹; smanjenje troškova; racionalizaciju radne snage; i unapređenje kvaliteta javnih usluga. Optimizaciju javne uprave treba razumjeti kao integralni dio nastavka reforme uprave, koja se može definisati kao sistematsko unapređenje radnih učinaka i rezultata rada javne uprave.

Za proces optimizacije potrebna su značajna unapređenja javne uprave putem sveobuhvatnih reformi u sledećim **oblastima**: javne finansije (planiranje i izvršenje budžeta), sistem državne uprave, organizacija i funkcionisanje javne uprave, pružanje javnih usluga i proces donošenja odluka (uključujući i zakonodavni proces). S obzirom na to da su ove oblasti međupovezane i da zavise jedna od druge, reforme treba dobro organizovati, koordinisati i realizovati. Rezultati praćenja treba da budu mjerljivi, a sistem izvješćavanja transparentan.

S obzirom na važnost procesa optimizacije, **Regionalna komparativna studija sa analizom polaznog stanja** „Optimizacija javne uprave u regionu Zapadnog Balkana“ obuhvata teme koje se odnose na porijeklo, ulogu i istorijski razvoj politike optimizacije u javnoj upravi, najsavremenije modele optimizacije u zemljama članicama EU sa ukazivanjem na dobre rezultate, kao i teme koje se odnose na važnost optimizacije u zemljama Zapadnog Balkana s obzirom na politiku proširenja EU, reformu javne uprave i veličinu, troškove i efekte javne uprave. Osim toga, studija daje pregled politika i mehanizama optimizacije u regionu Zapadnog Balkana prikazom oblasti djelovanja, primijenjenih mjera u okviru procesa reforme javne uprave, IPA podrške procesu reforme javne uprave, primjere realizovanih mjera optimizacije javnih politika – ciljeve i efekte, kao i najbolje prakse. Nadalje, studija

²¹⁹ *Efektivnost* vezujemo za sprovođenje adekvatnih (pravih) poslova javne uprave, dok *efikasnost* vezujemo za sprovođenje pravih poslova na pravi, tj. optimalan način (djelotvorno i kvalitetno). Efikasnost se najčešće vezuje za efikasnost troškova.

naglašava važnost regionalne saradnje zemalja Zapadnog Balkana u procesu optimizacije, te ukazuje na mogući okvir buduće saradnje i ulogu ReSPA-e. Konačno, studija sadrži pregled odabranih ekonomskih pokazatelja i preporuka po zemljama (Aneks 1), kao i SWOT analizu (regionalnu i nacionalnu) u Aneksu 2.

Ova studija predstavlja rezultat istraživanja i analize ekonomskih i pravnih aspekata politika optimizacije u regionu, a i šire u zemljama EU/OECD. Autori su sproveli istraživanje relevantnih dokumenata i propisa, kao i pregled i analizu upitnika koji su popunile članice ReSPA-e, u bliskoj saradnji sa službenicima koji su kontakt osobe za ReSPA-u.

Glavni ekonomski indikatori prikupljeni su na osnovu zvaničnih statistika, podataka ministarstva finansija, centralnih banaka, zavoda za zapošljavanje, ministarstva zaduženih za reformu javne uprave, iz izvještaja Evropske komisije i SIGMA/OECD, te podataka prikupljenih putem upitnika podijeljenih kontakt osobama za ReSPA-u u svakoj od struktura zaduženih za reformu javne uprave u regionu za 2014. i 2015. godinu.

1. Zaključci

Optimizacija javne uprave može se definisati kao proces ili metodologija putem koje se javna uprava dovodi u stanje pune funkcionalnosti, odnosno čini što je moguće efektivnijom. S obzirom na to da ekonomija koja teži optimizaciji direktno zavisi od iste takve uprave, kreatori javnih politika treba da preduzmu korake kako bi omogućili jačanje kapaciteta javne uprave da mogu da prate trendove u ekonomiji.

Kvalitet javne uprave je element koji u značajnoj mjeri opredjeljuje nivo **konkurentnosti**, te važan faktor ukupnog napretka društva. Sadašnji pritisak na javne finansije pokreće krupne promjene i prestrukturiranje javnog sektora. Međutim, te izazove treba preokrenuti u mogućnosti. S obzirom na to da je reforma javne uprave kontinuiran proces, postoji potreba da joj se, u postojećim okolnostima, da novi zamah.

Postepena optimizacija, kao posljedica potrebe prilagođavanja globalnim promjenama, vodeći je proces u javnim upravama modernih zemalja. Mnoge zemlje članice EU i druge razvijene zemlje imaju relativno dugo iskustvo u optimizaciji i prestrukturiranju svojih javnih uprava. Politike koje se tiču veličine, strukture i troškova javne uprave, a pogotovo izdvajanja za zarade zaposlenih u javnom sektoru, teže glavnim ciljevima: unapređenju efikasnosti i efektivnosti u javnom sektoru; unapređenju koordinacije i pružanja javnih usluga; smanjenju budžetskog deficita; te rješavanju uticaja demografskih promjena i starenja stanovništva, kao dodatnih zahtjeva koji se postavljaju pred javne usluge. Taj pristup utiče i na optimizaciju javnih uprava članica ReSPA-e.

Nedavna finansijska i ekonomska kriza natjerala je mnoge vlade **zemalja EU** da preduzmu različite mjere u pogledu optimizacije svojih javnih uprava kako bi ih učinile efikasnijima i zadovoljile očekivanja građana. Ukupni zaključci su kako slijedi:

- Analiza odabranih država članica EU (Estonija, Letonija, Portugalija, Irska, Finska i Holandija) pokazala je da sve one **sprovođe reforme svojih javnih uprava**, koje se međusobno značajno razlikuju. Ti različiti pristupi odražavaju njihova različita polazišta, zakonske i institucionalne tradicije, kao i različite izvore neefikasnosti javnog sektora. Međutim, uprkos razlikama, zarad optimizacije svojih javnih uprava sve one su, čini se, prvenstveno usmjerile pažnju na mjere koje se odnose na budžet, upravljanje ljudskim resursima, organizacionu efikasnost i efektivnost, uključujući e-upravu, te proces donošenja odluka.

- Izdvajanja za naknade zaposlenima kao procenat BDP-a iznosila su **10,14%** na nivou EU u 2015. godini. Ovaj indikator varira od jedne do druge zemlje članice EU (od 16% do 8,4%). Broj zaposlenih u javnoj upravi, sektorima odbrane, obrazovanja i socijalnog staranja predstavlja **23,6%** ukupne registrovane zaposlenosti.
- Većina država članica EU obuhvaćena ovom studijom realizovala je **kratkoročne mjere**, prvenstveno orijentisane na budžet i smanjenje broja zaposlenih, izuzev Finske i Holandije. Te dvije zemlje su se opredijelile za dugoročne strateške mjere usmjerene na oblasti važne za proces optimizacije.
- **Rezultati optimizacije javne uprave** su sledeći: reorganizacija; dovođenje javne uprave na pravu mjeru (*rightsizing*); razvoj e-uprave i e-servisa; efikasnost i efektivnost javne uprave; smanjenje izdataka države; transparentnost i otvorenost javne uprave; unapređenje propisa i smanjenje administrativnih barijera; povećanje kvaliteta javnih usluga; borba protiv korupcije u javnim uslugama; fokusiranje na ishode i rezultate; racionalizacija strukture centralne vlade; modernizacija upravljanja ljudskim resursima u javnoj službi.

Suočene sa finansijskom oskudicom, ali i sve većim potrebama, posebno kako napreduje proces integracije u EU, **vlade zemalja Zapadnog Balkana** pokušavaju da postignu optimizaciju javne uprave, odnosno da razvijaju efikasniju administrativnu strukturu sposobnu da „učini više sa manje“. Istovremeno, od državne uprave se zahtijeva da stvari „radi drugačije“: čitav niz novih vrsta usluga tjera javni sektor da uspostavlja niz struktura prilagođenih specifičnim zahtjevima u pojedinim oblastima.

Analiza **zemalja Zapadnog Balkana** vezano za pitanja optimizacije pokazala je da sve zemlje imaju određene jake strane i određene slabosti. Ukupni zaključci su kako slijedi:

- Zemlje Zapadnog Balkana snažno su posvećene **integraciji u EU** kako bi osigurale stabilna, prosperitetna i funkcionalna demokratska društva. U slučaju zemalja Zapadnog Balkana proces evropskih integracija predstavlja snažan katalizator promjena. Uticaj evropskih integracija je dvostruk. Sa jedne strane, utiče na novo zapošljavanje i povećanje broja zaposlenih u državnim institucijama. Sa druge, pak, strane, proces evropskih integracija gura reforme javne uprave u skladu sa načelima Evropskog administrativnog prostora, što dovodi do unapređenja efikasnosti i ukupne racionalizacije javne sfere.
- Fokus vlada zemalja regiona usmjeren je na zadovoljenje kriterijuma u pravcu ostvarenja tih ciljeva. Izazov procesa integracija stimuliše dalji razvoj organizacije i funkcionisanja institucija u svakoj od zemalja, koje bi trebalo da budu u stanju da upravljaju složenom tranzicijom u svim političkim, ekonomskim i društvenim oblastima u skladu sa načelima EU.
- Sve zemlje u regionu su **potpisale i počele da primjenjuju Sporazume o stabilizaciji i pridruživanju**. Naredni važan korak u procesu pristupanja je podnošenje zahtjeva za članstvo i pozitivna ocjena Evropske komisije, čime se odobrava datoj zemlji da postane kandidat za članstvo. Crna Gora i Srbija su otpočele pregovore o pristupanju EU, dok su Albanija i Makedonija zemlje kandidati, a Bosna i Hercegovina i Kosovo su potencijalni kandidati za članstvo u EU.
- Početkom 2016. godine, zemlje iz ovog regiona koje su u postupku proširenja dostavile su drugu „generaciju“ **Programa ekonomskih reformi** za period 2016-2018. godine. To je postepen pristup mehanizmu tzv. novog ekonomskog upravljanja EU (Evropski semestar) od strane zemalja Zapadnog Balkana. Priprema Programa ekonomskih reformi za period 2017-2019. godine je u toku.
- **Sve zemlje Zapadnog Balkana imaju relevantni institucionalni okvir za reformu javne uprave**, odgovarajuće koordinacione strukture na nivou države, kao i ministarstvo zaduženo za reformu javne uprave. Osim toga, ostala tijela javne uprave su uključena u proces reforme javne uprave u skladu sa svojim nadležnostima u relevantnim oblastima optimizacije.

- U prethodnom periodu zemlje Zapadnog Balkana prošle su kroz **nekoliko ciklusa reforme javne uprave** i izradile dva ili više strateških dokumenata u toj oblasti. To pokazuje da su vlade **posvećene reformisanju javnih uprava**. Većina zemalja (Albanija, Crna Gora, Srbija, Kosovo) imaju svoje strategije za reforme javne uprave, sa pripadajućim akcionim planovima. U Makedoniji se priprema nova Strategija reforme javne uprave za period 2017-2022. godina sa pripadajućim akcionim planom. U BiH, period revidovanog akcionog plana za reformu javne uprave (RAP PAR1) je istekao, tako da nema akcionog dokumenta na nivou države, a nova strategija reforme javne uprave je u pripremi. Sva strateška dokumenta su predvidjela mehanizme za praćenje i izvještavanje. Međutim, sadržaj strategija više je orijentisan na sistem državne uprave, organizaciju i funkcionisanje javne uprave, pružanje javnih usluga i procese odlučivanja, manje na unapređenje budžetskog upravljanja. Osim toga, **metodologije** za izradu akcionih planova razlikuju se od zemlje do zemlje. I konačno, izvještavanje nije uvijek blagovremeno, redovno ni transparentno (npr. Makedonija, Kosovo).
- Sve zemlje Zapadnog Balkana imaju posebna **strateška dokumenta** koja variraju od zemlje do zemlje, zavisno od konkretnih oblasti optimizacije (npr. plan Vlade, upravljanje javnim finansijama, stručno usavršavanje službenika na državnom/lokalnom nivou, suzbijanje korupcije, informacioni razvoj, e-uprava). Sve zemlje Zapadnog Balkana su uspostavile **zakonski okvir** za sve oblasti procesa optimizacije. Međutim, harmonizacija zakonskog okvira sa pravnom tekovinom EU u relevantnim oblastima varira od zemlje do zemlje, zavisno od statusa zemlje u procesu pristupanja.
- Izvještaji Evropske komisije (2015. godine), analiza polaznog stanja koju je uradila SIGMA (2015. godine) i nacionalna dokumenta i propisi daju detaljan **pregled stanja u svim oblastima optimizacije**.
- Politika proširenja EU uključuje finansijsku pomoć, uglavnom kanalisanu putem **Instrumenta za predpristupnu pomoć (IPA)**. IPA sredstva jačaju kapacitet zemalja u procesu pristupanja, što dovodi do progresivnih pozitivnih pomaka. Na početku IPA II programiranja, sektori koji će dobiti podršku kroz IPA II su identifikovani i objašnjeni u Indikativnom strateškom dokumentu za svaku od IPA zemalja. IPA II podrška je planirana kroz **sektorski pristup** zavisno od nacionalnih prioriteta za svaku zemlju pojedinačno. Ti prioriteti su vezani za prioritete demokratskih i ekonomskih reformi, kao i za prioritete u trenutnoj fazi procesa evropskih integracija. Glavne potencijalne koristi za zemlje korisnice su: veći uticaj pomoći EU time što se daje podsticaj za sprovođenje reformi na sektorskom nivou, a ne realizaciju pojedinačnih projekata; poboljšani kapacitet, jer zemlja korisnica treba da zadovolji određene uslove da bi se kvalifikovala za budžetsku podršku, pogotovo stabilan makroekonomski okvir i čvrst sistem upravljanja javnim finansijama; te jasnija veza između političkog programa, za koji su potrebne sektorske reforme, i finansijske pomoći kao podrške tim reformama.
- Što se tiče broja **zaposlenih na nivou opšte vlade** (ili u odsjecima O, P i Q NACE2.rev klasifikacije²²⁰) kao % ukupne registrovane zaposlenosti, najveći je u BA (29,4%) i ME (26,1%), a zatim RS, KS i MK. Ovaj relativni indikator u AL je veoma nizak u poređenju sa prosjekom u Regionu i iznosi svega 13,3%; interesantno je da je ovaj indikator za EU13 niži nego u slučaju EU28 i WB6 indikatora (EU13 - 20,3%, EU 28 - 23,6%, i WB - 22,8%). Ti podaci ukazuju na potrebu za posvećivanjem pažnje od strane vlada politici optimizacije, odnosno **inicijativama za racionalizaciju i dovođenje javne uprave na pravi mjeru (rightsizing)** (isključujući AL).
- Na zbirnom nivou, **broj zaposlenih** u ministarstvima, različitim službama i javnim institucijama je smanjen u periodu 2014-2015. godina. Najveće smanjenje urađeno je u Srbiji (-2,8) i Makedoniji (-1), samo simbolično u Crnoj Gori (-0,2), dok je u Bosni i

220 Za pojedine zemlje, jedini raspoloživi podaci su oni iz NACE.rev2 klasifikacije ekonomskih aktivnosti kao obuhvat odjeljaka O, P i Q („Zaposlenost u državnoj upravi, odbrani, obrazovanju, zdravstvu, socijalnom osiguranju“). Isto objašnjenje stoji i za komparativnu analizu EU u poglavlju 1 ove studije. (Fusnota 51 na strani 17).

Hercegovini i na Kosovu taj broj povećan. Albanija je zadržala gotovo isti nivo zaposlenih. U istom periodu ukupna registrovana zaposlenost je povećana za 5,7% (zahvaljujući rastu na Kosovu* od 9,1%, u Srbiji 8,1% i Albaniji 5,1%). Prateći trendove u ukupnoj zaposlenosti, promjena od % zaposlenosti u pomenutim sektorima u ukupnoj zaposlenosti je relativno viša u Srbiji, na Kosovu* i u Makedoniji.

- „Armija” od 1,07 miliona zaposlenih u javnoj upravi na Zapadnom Balkanu trebalo bi da efikasno pruža različite javne usluge ukupnoj populaciji od 18,3 miliona stanovnika 2015. godine. U poređenju sa EU, **prosječan broj zaposlenih u opštoj vladi na 100.000 stanovnika, u regionu je 5.881**, dok je ovaj indikator u EU28 **10.713** (82% više), a za EU13 (”nove” države članice) je **9.029** (53% više). Ovaj indikator najveći je u ME (7.250) i RS (7.048), a najniži u AL (4.463) i na KS (4.531). U EE, indikator je veći nego što je prosjek za EU. Dakle, s obzirom na niži BDP i manji budžetski kapacitet opšte vlade, javne uprave u regionu treba da ulože više napora vezano za kvalitet javnih usluga koje se pružaju građanima i privredi – **inicijativa vezana za efikasnost i efektivnost.**
- **Naknada za zaposlene u opštoj vladi kao % BDP-a** varira među zemljama korisnicima ReSPA-e (prosjeak je **9,1%**). Najviši nivo je u BA, ME i RS, a najniži u MK i AL. KS je takođe ispod regionalnog prosjeka. Budući da je za EU28 **10,1%** sa planom za postepeno smanjenje ovog indikatora u srednjem roku, BA, ME i RS treba da slijede taj trend i harmonizuju nivo ovog indikatora sa prosjekom u EU 28 i EU13 (u skladu sa nivoom BDP-a svoje privrede). Međutim, HR, SI i EE nisu planirale da smanje ovaj indikator do nivoa EU28 do 2017. godine (zadržaće 11,3-11,5).
- Naknada za zaposlene u opštoj vladi kao % BDP-a trebalo bi više da bude u skladu sa **kapacitetima realne ekonomije mjereno pokazateljem BDP po stanovniku u paritetu kupovne moći** (EU=100), s obzirom na to da je prosjek u EU13 71, a u HR, SI i EE iznosi 58, odnosno 83, odnosno 74.
- Što se tiče **WGI indikatora** (Svjetski indikatori upravljanja, dimenzija „Efikasnost vlade“), zemlje korisnice ReSPA-e prilično zaostaju za prosjekom u EU (EU 28 – 3,6, EU 13 – 3,3 i WB 6 – 2,4) i odabranim državama članicama (HR – 3,2, SI – 3,5 i EE – 3,5).
- Rješavanje zajedničkih reformskih izazova i reakcije zemalja na te izazove, fokus regionalne analize u poglavlju III.4 je na veličini, troškovima i efektivnosti reformi javne uprave u zemljama korisnicima ReSPA-e. **Nema direktne korelacije** između (manje) veličine vlade i (veće) efikasnosti potrošnje ili visine rashoda i indikatora kvaliteta uprave. Složena struktura različitih političkih, pravnih, ekonomskih i institucionalnih faktora koja utiče na konačni rezultat efektivnosti javne uprave postoji u svakoj od zemalja regiona Zapadnog Balkana.
- Što se tiče procesa optimizacije reforme javne uprave, većina nacionalnih reformskih inicijativa može se klasifikovati oko sledećih ključnih aspekata: **budžetske mjere** (npr. smanjenje budžeta, zamrzavanje zarada u javnoj upravi, osmišljavanje jedinstvene politike zarada u čitavoj opštoj vladi); **mjere koje se odnose na upravljanje ljudskim resursima** (npr. tehnološki viškovi, programi prijevremenog penzionisanja, ograničavanje maksimalnog broja zaposlenih u svakoj instituciji, uspostavljanje i održavanje evidencija Internog tržišta rada (EITR), fleksibilna radna mobilnost i relokacija, karijerna struktura, promjene u sistematizaciji i opisu radnih mjesta u skladu sa kadrovskim planom); **mjere koje se odnose na promjene u kontekstu organizacione efikasnosti i efektivnosti** (npr. razvoj efikasnijih proceduralnih uslova za regulaciju unutar vlade i jačanje kontrole unutar uprave – putem inicijativa koje podrazumijevaju informaciono-komunikacione tehnologije kao najvažniji aspekt procesa optimizacije i izuzetan pokretač promjena; izrada ‘otvorene vlade’ i uvođenje e-uprave sa unaprijeđenom praksom javnih konsultacija); **mjere orijentisane na reformisanje procesa donošenja odluka** (npr. mehanizmi strateškog planiranja i koordinacije, procjena uticaja propisa, standardi *ex ante* kontrole kao što je procjena regulatornog uticaja novih propisa).
- Što se tiče **budžetskog upravljanja**, može se zaključiti da su budžetski procesi utvrđeni i da generalno sadrže srednjoročne budžetske okvire. Definisan je raspored donošenja godišnjeg budžeta, a funkcionišu i sistemi fiskalnog upravljanja tokom godine. Sistem

trezora obezbjeđuje kontrolu, a ministarstva finansija su u stanju da ograniče javnu potrošnju. Nadalje, postoje osnovni uslovi za budžetsku transparentnost.

- Uopšteno posmatrano, sistem upravljanja ljudskim resursima je razvijen u svim zemljama regiona. Status državnih službenika i ostalih zaposlenih u institucijama javne uprave definisan je zakonima o državnim službenicima i drugim relevantnim zakonima. Profesionalizacija zaposlenih u javnom sektoru putem zapošljavanja i napredovanja na osnovu zasluga štiti se zakonima o državnim službenicima i pripadajućim podzakonskim aktima. Zakonski su definisani kriterijumi i proces otpuštanja i disciplinskih postupaka, uključujući i mogućnost žalbe. Postoje informacioni sistemi za upravljanje kadrovima i centralni registri državnih službenika. Takođe je i sistem zarada i naknada utvrđen zakonima i podzakonskim aktima. Postoje i opšta pravila i protokoli u pogled stručnog usavršavanja i osposobljavanja. Propisana je ocjena rezultata rada. Okvir kojim se regulišu etička pitanja utvrđen je nizom zakonodavnih mjera koje sprječavaju korupciju i podstiču integritet u javnoj upravi.
- Osigurani su preduslovi za **organizacionu efikasnost i efektivnost**. Propisima su regulisani organizacija i zadaci javne uprave. Postoje i zakonski okviri u pogledu pristupa javnim informacijama, uključujući i obavezu aktivnog objavljivanja informacija u posjedu javnih organa. Uspostavljeni su mehanizmi za interni i eksterni nadzor u odnosu na tijela državne uprave. Politika za unapređenje javnih usluga uključena je u strateška dokumenta i vlade su posvećene stvaranju uprave koja je okrenuta korisnicima. Aktivnosti za smanjenje administrativnih barijera prvenstveno su orijentisane ka biznisu. Propisi o opštem upravnom postupku u načelu zadovoljavaju standarde dobre uprave. E-servisi su brojni, a njihovo prihvatanje od strane građana je u porastu.
- Što se tiče **procesa donošenja odluka**, zakonska osnova i institucionalne strukture, uključujući i one koje se odnose na evropske integracije, uglavnom postoje, radi osiguravanja konzistentnog sistema za kreiranje javnih politika. Uspostavljena je zakonska osnova i institucionalne strukture za djelotvorno vođenje javnih konsultacija i saradnju sa nevladinim sektorom. Uvedene su moderne zakonodavne tehnike (pravila izrade zakonskih akata, procjena regulatornog uticaja – RIA, deregulacija i pojednostavljenje propisa). U svim zemljama su nacionalni propisi dostupni u elektronskoj formi putem službenih glasnika.

Međutim, istraživanje je ukazalo i na neke **slabosti procesa optimizacije** u pogledu konkretnih oblasti tog procesa. Glavne slabosti su kako slijedi:

- **Proces reforme javne uprave** – nekonzistentnost procesa reforme javne uprave; nedostatak sadržajne konzistentnosti strategija reforme javne uprave; nekonzistentnost između sektorskog planiranja i srednjoročnog finansijskog planiranja i nepostojanje relevantne metodologije za taj proces; nepostojanje efikasnih mehanizama za praćenje budžetskog uticaja.
- **Budžetski sistem** – predlozi godišnjeg budžeta ne sadrže sve neophodne informacije; nije osigurana sveobuhvatna, blagovremena i pouzdana transparentnost budžeta; planiranje IPA fondova nije jednoobrazno na regionalnom nivou u pogledu koordinacije sa pripremama srednjoročnog okvira rashoda.
- **Sistem upravljanja ljudskim resursima** – politizacija i ograničeni kapaciteti; mnogi zaposleni u javnoj upravi koji obavljaju ključne državne funkcije nemaju status državnih službenika; nepostojanje metodologije za utvrđivanje potrebnog broja državnih službenika i drugih zaposlenih u javnoj upravi; u praksi, postupci odabira i imenovanja višeg rukovodnog kadra ne garantuju zapošljavanje na osnovu zasluga; nepostojanje pouzdanog sistema za transparentan odabir isključivo zasnovan na profesionalnim kriterijumima (kompetencije); informacioni sistemi za upravljanje ljudskim resursima i centralni kadrovski registri nisu u potpunosti razvijeni; nepostojanje instrumenata za evaluaciju radnih mjesta kako bi se uspostavio pravičniji sistem zarada i naknada; nepostojanje strateškog planiranja stručnog usavršavanja i osposobljavanja u organima javne uprave; nepostojanje kriterijuma za ocjenu rezultata rada.

- **Organizaciona efikasnost i efektivnost** – širok dijapazon javnih organa bez jasnih smjernica koja je zakonska forma pogodna za koje zadatke (npr. javne agencije); nepostojanje sistematske analize u pogledu organizacije i funkcionisanja organa javne uprave; kvalitet i troškovna efektivnost usluga ne podliježu redovnom pregledu, a javne institucije aktivno ne traže povratnu informaciju od građana; nezavisnost institucije ombudsmana je ograničena samo na neke oblasti (npr. imenovanja, finansijsko upravljanje), a realizacija preporuka je na niskom nivou; praktična implementacija prava na pristup informacijama komplikuje se nizom problema, uključujući i pretjerano širok obuhvat izuzetaka i nedovoljan nezavisni monitoring; novi zakoni o opštem upravnom postupku nisu još uvijek izrađeni u svim zemljama Zapadnog Balkana; ograničen je i broj e-servisa za građane dostupnih preko e-uprave, kao i broj servisa koji omogućavaju mogućnost obavljanja transakcija; nepostojanje sistema za mjerenje nivoa zadovoljstva korisnika postojećim javnim uslugama.
- **Proces donošenja odluka** – sistem srednjoročnog planiranja nije osiguran u svim zemljama Zapadnog Balkana, a tamo gdje je i uspostavljen, nedostaje sveobuhvatan pristup i jasno usaglašavanje dokumenata srednjoročne politike sa fiskalnom strategijom; nije regulisana koordinacija srednjoročnog planiranja, uključujući odluke vezane za usvajanje sektorskih strategija; nije osigurano redovno izvještavanje o realizaciji strategija, a transparentnost je na niskom nivou; nije određen jasan prioritet u okviru aktivnosti na planu evropskih integracija, a informacije o budžetskim zahtjevima su nedovoljne da se garantuje njihova održivost; povremeno nisu dostupne informacije o dnevnom redu sjednica Vlade; javne konsultacije nisu razvijene do zadovoljavajućeg nivoa u svim zemljama Zapadnog Balkana (npr. ne sprovede se na vrijeme, blagovremenost, izuzeci); procjena regulatornog uticaja nije razvijena do zadovoljavajućeg nivoa (npr. izuzeci, slab kvalitet analiza regulatornog uticaja); nepostojanje formalnih zahtjeva i mehanizama za planiranje implementacije propisa, otkrivanje teškoća u implementaciji propisa i sistematska praksa analize implementacije glavnih zakona.
- U zaključku, **ostvaren je napredak u svim oblastima procesa optimizacije, ali je potrebno uraditi još neka temeljna unapređenja**. S obzirom na studiju, može se zaključiti da sve zemlje Zapadnog Balkana imaju dugoročne strateške mjere u svim oblastima procesa optimizacije. Međutim, ubuduće je neophodno unaprijediti te dugoročne mjere i osigurati kontinuitet njihovog budućeg planiranja i realizacije.
- Sve zemlje Zapadnog Balkana su realizovale/realizuju kratkoročne i dugoročne **mjere optimizacije** odnosno, mjere dovođenja na pravu mjeru (*rightsizing*), prvenstveno usmjerene na smanjenje budžeta i broja zaposlenih. **Efekti implementiranih mjera** variraju od zemlje do zemlje u odnosu na sledeće kriterijume: smanjenje broja zaposlenih u javnom sektoru; unapređenje upravljanja ljudskim resursima; planiranje unapređenja i standardizacije politike zarada u javnom sektoru u skladu sa fiskalnim kapacitetom ekonomije; unapređenje efikasnosti, produktivnosti i kvaliteta usluga; strateško i budžetsko planiranje, odnosno smanjenje/usaglašavanje budžetskih rashoda. U većini zemalja realizovane mjere su uticale na unapređenje svih datih kriterijuma, izuzev na smanjenje broja zaposlenih u javnom sektoru u Albaniji, u BiH na nivou federacije, u Crnoj Gori i na Kosovu, kao i u slučaju unapređenja i standardizacije politike zarada u javnom sektoru u slučaju BiH na nivou federacije i u Makedoniji.

U studiji, posebna pažnja je posvećena važnosti **regionalne saradnje u procesu optimizacije**:

- **Regionalna saradnja** je načelo od najveće važnosti za političku stabilnost, bezbjednost i ekonomski razvoj zemalja Zapadnog Balkana. Mnogi od izazova sa kojima se suočavaju zemlje Zapadnog Balkana nisu specifični samo za njih, već imaju prekograničnu dimenziju, koja uključuje njihove susjede iz regiona. U okviru procesa stabilizacije i pridruživanja, **regionalna saradnja i dobrosusjedski odnosi** su presudni za stabilnost i proces pomirenja u regionu. S obzirom na složenost procesa optimizacije javne uprave i trenutno stanje u konkretnim oblastima procesa optimizacije u pojedinačnim zemljama Zapadnog Balkana, regionalna saradnja putem **razmjene iskustava i**

zajedničkih napora može značajno da doprinese prevazilaženju nekih nacionalnih izazova i ubrza ostvarenje ciljeva u ključnim sektorima.

- Regionalna komparativna studija definiše **okvir za regionalnu saradnju po komponentama procesa optimizacije reforme javne uprave** (sama reforma javne uprave, budžet, upravljanje ljudskim resursima, organizaciona efikasnost i efektivnost i proces odlučivanja) i uključuje potencijalne **oblasti intervencija, modalitete regionalne saradnje** (izrada javnih politika; razmjena informacija, praktičnih znanja i iskustava; umrežavanje; izgradnja kapaciteta i izrada priručnika za konkretne inicijative dovođenja uprave na pravu mjeru, odnosno *rightsizing*), ulogu ReSPA-e i ulogu zemalja Zapadnog Balkana.

2. Preporuke

U ovom odjeljku dajemo ukupne preporuke zasnovane na komparativnoj analizi datoj u ovoj studiji. Ukupni zaključci su kako slijedi:

- Sve zemlje u skladu sa svojim trenutnim stanjem treba da nastave sa unapređenjem procesa reforme javne uprave kako bi osigurale postojanje efikasnih, efektivnih i transparentnih sistema za planiranje, realizaciju, praćenje, evaluaciju i izvještavanje za potrebe reforme javne uprave. U tom kontekstu neophodno je: unaprijediti sadržaj i suštinu koncepta strateških dokumenata za reformu javne uprave; unaprijediti metodologiju planiranja mjera, praćenje i izvještavanje u okviru reforme javne uprave; povećati efektivnost i efikasnost mehanizama za koordinaciju realizacije reformskih aktivnosti; povećati transparentnost izvještavanja o realizaciji akcionih planova koji prate strategije reforme javne uprave.
- Sve zemlje u skladu sa svojim trenutnim stanjem treba da nastave sa unapređenjem **planiranja i izvršenja budžeta kako bi se osiguralo** postojanje programa reforme upravljanja javnim finansijama koji pokriva čitav budžetski ciklus (planiranje, izvršenje, praćenje i izvještavanje) i budžetsku transparentnost. U tom kontekstu neophodno je: osnažiti srednjoročni budžetski okvir (izrada planova i mjera fiskalne politike; izrada smjernica za bolje povezivanje strateških ciljeva Vlade i ciljeva budžetskih programa; uspostavljanje jedinstvene metodologije za pripremu sektorskih strategija koja uključuje kalkulaciju troškova svih aktivnosti za sprovođenje sektorskih strategija; unapređenje planiranja i prezentacije višegodišnjih ugovorenih obaveza u budžetu); osnažiti izradu godišnjeg budžeta (analiza važećih propisa i procedura; razrada relevantnih metodologija za programiranje; unaprijediti planiranje i programiranje eksterne pomoći; izrada relevantnih priručnika, unaprijediti transparentnost budžeta putem bolje vizualizacije); unaprijediti planiranje kapitalnih projekata (evaluacija predloženih javnih investicionih projekata; izrada metodologije za praćenje realizacije odobrenih kapitalnih projekata; harmonizacija procedura za planiranje evaluacije i odabir svih kapitalnih projekata bez obzira na izvor finansiranja, nacionalni i lokalni budžeti, fondovi EU i drugi izvori i izvještavanje), unaprijediti sistem zarada i drugih naknada za zaposlene u javnom sektoru (uvođenje novog pravičnog sistema zarada, uvođenje boljeg upravljanja i kontrole zarada).
- Sve zemlje u skladu sa svojim trenutnim stanjem treba da nastave sa unapređenjem **upravljanja ljudskim resursima** da bi osigurali zapošljavanje i unapređenje na osnovu zasluga, sistem upravljanja ljudskim resursima/informacioni sistem za upravljanje ljudskim resursima, stručno usavršavanje, naknade, etika/ integritet. U tom kontekstu neophodno je: razvijati standarde i procedure za odabir kandidata za više rukovodne pozicije u javnoj upravi (kompetencije); povećati konkurenciju i smanjiti diskreciona prava kod donošenja odluka o odabiru kandidata (npr. uvođenje elektronskog testiranja kandidata); izraditi standarde i procedure za unapređenje planiranja ljudskih resursa;

izraditi standarde i procedure za funkcionisanje kadrovskih evidencija; uspostaviti zakonski i strateški okvir za upravljanje javnim resursima i razviti instrumente za strateško upravljanje ljudskim resursima; osnažiti sistem stručnog usavršavanja i osposobljavanja u javnoj upravi (strateško planiranje, efektivna implementacija, praćenje i izvještavanje, licence za instruktore, kriterijumi za pravna lica kao potencijalne izvođače); izraditi mjerljive kriterijume za ocjenu rezultata rada; uspostaviti i voditi evidenciju Internog tržišta rada unutar sistema državne uprave.

- Sve zemlje u skladu sa svojim trenutnim stanjem treba da nastave sa unapređenjem **organizacione efikasnosti i efektivnosti** kako bi osigurale racionalnu organizaciju državne uprave (na horizontalnom i vertikalnom nivou), kao i prava građana na dobru upravu, pristup informacijama od javnog značaja, upravno-sudsku zaštitu i naknadu štete. U tom kontekstu neophodno je: razviti standardnu metodologiju za izradu analize funkcionalnih i finansijskih efekata institucija javne uprave; unaprijediti decentralizaciju i dekoncentraciju državne uprave unapređenjem analitičkog i strateškog okvira; nastaviti sa pojednostavljenjem i ubrzavanjem upravnih postupaka (izrada/sprovođenje novih zakona o upravnom postupku i upravnom sporu; harmonizacija posebnih postupaka predviđenih posebnim zakonima/propisima – uraditi analizu); jačanje kadrovskih kapaciteta upravne inspekcije; nastaviti razvoj e-servisa sa visokim stepenom korisničkog iskustva (za javnu upravu, obrazovanje, preduzeća, građane).
- Sve zemlje u skladu sa svojim trenutnim stanjem treba da nastave sa unapređenjem **procesa donošenja odluka** – kako bi se osigurao efikasan, efektivan i transparentan sistem za planiranje i koordinaciju javnih politika, kao i inkluzivan proces donošenja javnih politika i zakona zasnovanih na činjenicama i pokazateljima. U tom kontekstu neophodno je: uspostaviti sveobuhvatan i racionalan sistem srednjoročnog planiranja javnih politika i unaprijediti kvalitet i stopu realizacije sektorska strategija (odabir odgovarajućih metodologija, izrada zakonskog i strateškog okvira, jačanje kapaciteta); povećanje transparentnosti sistema upravljanja javnim politikama; veći nivo korišćenja modernih analitičkih alati za izradu zakona i bolji kvalitet javnih konsultacija, analiza uticaja propisa, ex-post analiza (unaprijediti strateški i zakonski okvir, procedure, snaženje kapaciteta).
- Sva pitanja optimizacije centralna su pitanja i **društveno-ekonomskih politika za svaku od zemalja Zapadnog Balkana** i temeljni su elementi procesa pristupanja EU. S obzirom na nacionalne specifičnosti i zajedničke zahtjeve, treba uspostaviti regionalnu saradnju u oblasti optimizacije javne uprave na osnovu konkretnog regionalnog programa. Taj program treba da bude okvir koji pomaže vladama u regionu da sprovedu svoje individualne strategije razvoja, uključujući i ciljeve vezane za pristupanje EU, unapređenjem nacionalnih napora kroz fokusiranu regionalnu saradnju oko onih konkretnih pitanja u kojima zajednički pristup može biti od koristi.
- **Mogući modaliteti u okviru regionalne saradnje** zavise od konkretne oblasti kojoj je potrebna optimizacija: **izrada javnih politika** (izrada studija, procjena i istraživanja, davanje preporuka, podrška izradi strateških dokumenata i zakonskog okvira, priprema regionalnih i nacionalnih smjernica i priručnika, forumi u vezi javnih politika, ekspertske misije); **umrežavanje** (organizacija konferencija, profesionalnih skupova; internet strana/linkovi: dostupne informacije o relevantnim dokumentima, događaji, obuke, seminari, radionice), **izgradnja kapaciteta** (obuke, seminari), **izrada konkretnih priručnika za različite inicijative uspostavljanja prave mjere javne uprave**. Potencijalne oblasti za intervencije i načini regionalne saradnje predstavljeni su detaljno u poglavlju IV.2.
- S obzirom na kompetencije koje posjeduje ReSPA, njen kapacitet, kao i prethodni rad i rezultate vezano za reformu javne uprave, **ReSPA je prepoznata kao regionalni koordinator aktivnosti koje se odnose na pripremu i uspješnu realizaciju ove regionalne inicijative**. Treba izraditi regionalni program za optimizaciju javne uprave u zemljama Zapadnog Balkana i realizovati ga u bliskoj saradnji ReSPA-e i zemalja Zapadnog Balkana u skladu sa njihovim konkretnim ulogama.

V ЗАКЛУЧОЦИ И ПРЕПОРАКИ

Јавната администрација мора да биде во можност да остане во чекор со брзите промени на социјалните, економските и технолошките барања, со цел да ги исполни своите обврски за заштита на јавниот интерес, без да ги доведе во прашање потребните промени. Потребата да се подобри конкурентноста, грижата за зачувувањето на фискалната одржливост и растечките барања за подобри услуги за помала цена поттикнаа опсежни реформи во јавниот сектор, вклучувајќи и напори за оптимизирање на јавната администрација како и неодамнешните иницијативи за подобрување на квалитетот на прописите и намалување на административните трошоци. Една оптимизирана економија директно зависи од иста таква влада односно јавна управа која тежи кон оптимизирање.

Економската криза придаде дополнителна важност на **оптимизацијата на програмите и мерките во јавната администрација** и многу земји се подложуваат на построги политики со цел да се намали буџетскиот дефицит. Сепак, важно е да се нагласи уште на почетокот дека оптимизацијата честопати погрешно се сфаќа како прашање на намалување на бројот на вработени. Тоа не е целта на процесот на оптимизација. Оптимизација на јавната администрација вклучува постојан притисок на вработените и други ресурси да се користат колку што е можно поефикасно, со вистинска комбинација на вештините на вработените и назначување на кадар и на оперативниот буџет во согласност со дефинираните јавните политики и нивните приоритети. Затоа, на политиката на оптимизација се гледа како на дел од поширок сет на сеопфатни реформи на јавната администрација. Оптимизацијата се базира на сет на алатки за модернизација на владата; оптимизирање на ефикасноста²²¹; намалување на трошоците; зголемување на ефикасноста; рационализација на работната сила и подобрување на квалитетот на јавните услуги. Оптимизацијата на јавната администрација треба да се сфати како составен дел на континуираната реформа на администрацијата, која може да се дефинира како системско подобрување на оперативното работење и резултатите од работата на јавната администрација.

Процесот на оптимизација бара значителни подобрувања на јавната администрација преку сеопфатни реформи во следниве **области**: јавни финансии (буџетско планирање и извршување), системот на државна служба, организацијата и функционирањето на јавната администрација, испораката на јавните услуги и процесот на донесување одлуки (вклучувајќи го и законодавниот процес). Имајќи предвид дека овие области се меѓусебно поврзани и меѓусебно зависни, реформите треба да бидат добро организирани, координирани и спроведени. Следењето на резултатите треба да биде мерливо, а системот на известување транспарентен.

Имајќи ја предвид важноста на процесот на оптимизација, **Регионалната компаративна студија со почетна анализа**, наречена “Оптимизација на јавната администрација во

²²¹ Ефективноста ја поврзуваме со извршувањето на соодветни (правни) работи на јавната управа додека ефикасноста ја поврзуваме со извршувањето на правните работи на соодветен, односно оптимален начин (делотворно и квалитетно).

регионот на Западниот Балкан” ги опфаќа темите поврзани со потеклото, улогата и историскиот развој на оптимизацијата на јавната администрација, најдобрите примери на оптимизација во земјите членки на ЕУ, укажувајќи на успешните ефекти, како и теми во врска со важноста на оптимизацијата во земјите од Западен Балкан, фокусирајќи се на политиката на проширување на ЕУ, реформите во јавната администрација и големината, трошоците и ефектите на јавната администрација. Освен тоа, студијата дава преглед на политиките и механизмите за оптимизација во регионот на Западниот Балкан (ЗБ) покажувајќи ги областите на активности, мерките спроведени во рамките на процесот на реформи во јавната администрација, поддршката на ИПА за процесот на реформи во ЈА, примери на мерки спроведени за оптимизација на политиките - цели и ефекти и најдобрите практики. Понатаму, студијата ја нагласува важноста на регионалната соработка на земјите од ЗБ во процесот на оптимизација и укажува на можна рамка за идна соработка и улога на РеСПА. На крајот, студијата содржи преглед на избрани економски индикатори и препораки по земји (Анекс 1), како и SWOT анализа (регионална и национална) во Анекс 2.

Студијата е резултат на истражување и анализа на економските и правните аспекти на политиките за оптимизација во регионот и пошироко во земјите на ЕУ/ОЕЦД. Авторите кои направија истражување на релевантните документи и закони, како и преглед и анализа на прашалникот пополнет од членките на РеСПА, во тесна соработка со офицерите за врски на РеСПА.

Главните економски индикатори се собираат врз основа на официјални статистички податоци, податоци од министерствата за финансии, податоци од централните банки, агенциите за вработување, министерствата одговорни за реформа на ЈА, извештаи на ЕК и Сигма/ОЕЦД и податоците собрани преку прашалникот споделен преку контакт лицето во РеСПА со сите структури во регионот во кои се прави реформа на ЈА, за 2014 и 2015 година.

1. Заклучоци

Оптимизацијата на јавната администрација може да се дефинира како процес или методологија со кои се постигнува што поголема функционаност и ефикасност на јавната администрација. Имајќи предвид дека оптимизацијата на економијата директно зависи од подеднаквото оптимизирање на администрацијата, креаторите на политики треба да преземат чекори со кои ќе се овозможи зајакнување на капацитетите на јавната администрација со цел да може да држи чекор со трендовите во економијата.

Квалитетот на јавната администрација е пресуден елемент на **конкурентноста** и важен фактор за севкупниот напредок на општеството. Тековниот притисок врз јавните финансии повлекува големи промени и реструктурирање на јавниот сектор. Сепак, овие предизвици треба да се претворат во можности. Имајќи предвид дека реформата на јавната администрација е континуиран процес, постои потреба да и се даде нов импулс во рамките на сегашните услови.

Постепената оптимизација, како последица на потребата од приспособувањето кон глобалните промени, е водечкиот процес на јавните администрации во современите земји. Голем број земји-членки на ЕУ и други развиени земји имаат релативно долго искуство со оптимизација и реструктурирање на јавната администрација. Политиките во однос на големината, структурата и трошоците на јавната администрација, а особено трошоците поврзани со јавните службеници и вработени, водат кон следниве главни

задачи: зајакнување на ефикасноста и ефективноста во јавниот сектор, подобрување на координацијата и целисходноста на јавните услуги, намалување на буџетскиот дефицит и работење на влијанието на демографските промени и стареењето на населението како едно дополнително барање за јавните служби. Овој пристап влијае на членките на РСГА да ги оптимизираат нивните јавни администрации.

Неодамнешната финансиска и економска криза изврши притисок врз многу влади во **земјите-членки на ЕУ** да преземат различни мерки во врска со оптимизација на јавните администрации со цел да станат поефикасни и да ги задоволуваат очекувањата на граѓаните. Ова се севкупните заклучоци:

- Анализата на селектирани земји-членки (Естонија, Латвија, Португалија, Ирска, Финска и Холандија) покажа дека сите **спровеле реформи во нивните јавни администрации**, кои значително се разликуваат од една до друга. Овие различни пристапи имаат различни појдовни точки, различна правна и институционална традиција, како и различни извори на неефикасност во јавниот сектор. Како и да е, и покрај овие разлики, со цел да се оптимизира нивната државна администрација, сите тие се чини се фокусираат првенствено на мерките поврзани со буџетот, раководењето со човечки ресурси, организациска ефикасност и ефективност, вклучувајќи и е-Влада, како и процесот на донесување одлуки.
- Уделот на владата во трошоците за надоместоци за вработените во БДП е **10,14%** во 2015 година на ниво на ЕУ. Овој индикатор варира меѓу земјите-членки (од 16% до 8,4%). Бројот на вработени во јавната администрација, одбраната, образованието и активностите поврзани со социјалниот сектор претставува **23,6%** од вкупниот број на регистрирани вработувања.
- Повеќето од селектираните земји-членки спровеле **краткорочни мерки**, кои главно биле насочени кон намалување на буџетот и на бројот на вработените, освен Финска и Холандија. Овие две земји се одлучиле за **долгорочни стратешки ориентирани мерки** што покриваат области важни за процесот на оптимизација.
- **Резултатите од оптимизацијата на јавната администрација** се следните: реорганизација, пристап за доведување на јавната администрација до најдобра големина, развивање на е-Влада и е-услуги; ефикасност и ефективност на јавната администрација, намалување на трошоците на владата; транспарентност и отвореност на ЈА, подобрување на регулативата и намалување на административните бариери, зголемување на квалитетот на јавните услуги, борба против корупцијата во јавната администрација, фокусирање на исходи и резултати, рационализација на структурата на владините организации на централно ниво, модернизирање на управувањето со човечки ресурси во јавната администрација.

Соочени со фискална оскудност, но и со растечки потреби, особено во напредувањето на патот кон интеграција во ЕУ, **владите во земјите од Западен Балкан** се обидуваат да постигнат оптимизација на јавната администрација, т.е., да развијат поефикасна административна структура која може да «направи повеќе со помалку». Истовремено, од државната администрација се бара да «работи поинаку»: поголемиот избор на нови видови на услуги го принудиле јавниот сектор да воспостави структури прилагодени на специфични барања или на одредени области.

Анализата на **земјите од Западен Балкан** во однос на прашањата за оптимизација покажа дека сите земји имаат свои предности и слабости. Ова се општите заклучоци:

- Земјите од Западен Балкан се цврсто посветени на **интегрирацијата во ЕУ**, со цел да имаат стабилни, просперитетни демократски општества кои добро функционираат. Во случајот на земјите од Западен Балкан, напредокот во процесот на интеграција во ЕУ е моќен катализатор за промена. Влијанието на процесот на интеграција во ЕУ има двостран аспект. Од една страна, предизвикува нови вработувања и зголемување на бројот на државни службеници во државните институции. Но, од друга страна, европската интеграција, како таква, ги турка

јавните администрации во реформи во согласност со принципите на Европскиот административен простор, што доведува до подобрување на ефикасноста и ја надминува рационализацијата на јавната сфера.

- Фокусот на нивните влади е насочен кон исполнување на критериумите со цел да се постигнат овие цели. Предизвикот на процесот на интеграција поттикнува понатамошен развој на организираноста и функционирањето на институциите во сите земји, кои би требало да бидат способни да управуваат со комплексната транзиција во сите политички, економски и социјални области во согласност со принципите на ЕУ.
- Сите земји во регионот **ја имаат потпишано и почнаа да ја имплементираат ССА**. Следниот важен чекор во процесот на пристапување е поднесување на апликацијата за членство и позитивна оценка подготвена од страна на Комисијата со која ѝ се дозволува на земјата да стане кандидат. Црна Гора и Србија започнаа преговори за членство во ЕУ, додека Албанија и Македонија се земји-кандидатки а Босна и Херцеговина и Косово се потенцијални кандидати за членство во ЕУ.
- На почетокот на 2016 година, земјите за проширување од регионот ја поднесоа втората «генерација» на **Програми за економски реформи** за периодот 2016-2018 година. Тоа е постепен пристап кон механизмот на таканареченото ново економско управување на ЕУ (Европски семестар) од страна на земјите од Западниот Балкан. Подготовката на Програмата за економски реформи за периодот 2017-2019 е во тек.
- Сите земји од Западниот Балкан имаат соодветни институционални рамки за реформи на ЈА, соодветни координациски структури на владино ниво, како и министерство надлежно за реформи во јавната администрација. Освен тоа, и други органи на државната управа се вклучени во процесот на реформи во ЈА во согласност со нивните надлежности во рамките на соодветните области на оптимизација.
- Во изминатиот период, земјите од ЗБ поминаа низ **неколку циклуси на реформи во ЈА** и изготвија два или повеќе стратешки документи во оваа област. Ова покажува дека владите се **посветени на реформирање на јавните администрации**. Повеќето земји (Албанија, Црна Гора, Србија, Косово) имаат конкретен стратешки документи за реформи во ЈА со следствени оперативни планови. Во Македонија, во тек е изготвување на нов документ, Стратегија за реформи во ЈА и оперативен план (РЈА и ОП), кој ќе го опфаќа периодот 2017-2022 година. Во БиХ, временската рамка за РЈА и ОП1 истече, така што не постои документ на национално ниво а се изготвува нова Стратегија за РЈА. Сите стратешки документи предвидуваат механизми за **следење и известување**. Но содржината на документите за стратегија е повеќе ориентирана на системот на државни службеници, организацијата и функционирањето на јавната администрација, целисходноста на јавните услуги и процесот на донесување одлуки, а помалку на подобрување на управувањето со буџетот. Покрај тоа, **методологиите** за изготвување на оперативни планови се разликуваат од земја до земја. И за крај, извештаите не се поднесуваат секогаш редовно и транспарентно (на пример, Македонија, Косово).
- Сите земји од Западен Балкан имаат одделни **стратешки документи** кои се разликуваат од земја до земја во зависност од конкретните области на оптимизација (на пример, владиниот план, УЈФ, професионален развој на државните/локални службеници, анти-корупција, развивање на информации, е-влада).
- Сите земји од Западен Балкан имаат воспоставено **правна рамка** за сите области на процесот на оптимизација. Но, усогласувањето на законската рамка со *acquis* во соодветната област се разликува од земја до земја, во зависност од статусот на земјата во процесот на пристапување.
- Извештаите на ЕК (2015 г.), Појдовната анализа на СИГМА (2015 г.), како и националните документи и закони овозможува детален **преглед на состојбата во сите области на оптимизацијата**.

- Политиката за проширување на ЕУ вклучува финансиска помош, канализирана главно преку **Инструментот за претпристапна помош (ИПА)**. ИПА фондовите ги градат капацитетите на земјите во текот на процесот на пристапување, што резултира со напреден, позитивен развој. На почетокот на процесот на програмите, се идентификуваат секторите за поддршка од ИПА II и се објаснуваат во Индикативни стратешки документи за сите земји од ИПА. Поддршката од ИПА II се планира со **секторски пристап** во зависност од националните приоритети на секоја земја поединечно. Овие приоритети се поврзани со приоритетите за демократски и економски реформи, како и приоритетите за моменталната фаза на процесот на европска интеграција. Главните потенцијални придобивки за земјите-кориснички се: зголемување на влијанието на помошта од ЕУ преку обезбедување поттик за спроведување на реформите на секторско ниво, наместо спроведување на изолирани проекти, понатаму, подобро градење на капацитети, бидејќи земјата-корисник треба да исполни одредени услови за да се квалификува за буџетска поддршка, особено стабилна макроекономска рамка и издржано управување со јавните финансии, како и појасна врска меѓу политичката агенда, која бара секторски реформи и финансиска помош за поддршка на истите.
- Во однос на бројот на **вработени лица во општата влада (нивоата на власт во државата)** - ОВ (или во делови, О, Р и Q на класификацијата NACE2.rev²²²) како % од вкупниот број на регистрирани вработувања, на највисоко ниво е во Босна и Херцеговина - 29,4%, а Црна Гора (26, 1%), по што следуваат Србија, Косово и Македонија. Овој релативен индикатор во Албанија е многу низок во споредба со просекот во регионот, само 13,3%; Интересно е тоа што индикаторот за ЕУ¹² е помал од индикаторите за ЕУ28 и ЗБ6 (ЕУ13- 20,3%, ЕУ 28 - 23,6%, а ЗБ - **22,8%**). Владите мора да ги разгледаат многу внимателно овие податоци во врска со политиката на оптимизација, односно иницијативите за **доведување на администрацијата да најдобрата големина** (со исклучок на Албанија).
- На збирно ниво, **бројот на вработени** во министерствата, различни служби и јавни институции се намалува во периодот 2014-2015 година. Најголемо намалување бележат Србија (-2,8) и Македонија (-1), симболично во Црна Гора (-0,2), додека пак, овој број порасна во Босна и Херцеговина и Косово. Албанија го задржа речиси истото ниво на вработени. Во истиот период, општо земено бројот на регистрирани вработувања е зголемен за 5,7% (благодарение на растот во Косово од 9,1%, Србија 8,1% и Албанија 5,1%). Ако се разгледаат трендовите во вкупната вработеност, промената на % од вработувањето во горенаведените сектори во вкупната вработеност е релативно висока во Србија, Косово и Македонија.
- “Армијата” од 1,07 милиони вработени во јавната администрација во регионот на Западен Балкан би требало ефикасно да испорачува различни јавни услуги на 18,3 милиони жители во 2015 година. Во споредба со ЕУ, **просечниот број на вработени во општата влада (нивоата на власт во државите) во ЕУ, на 100.000 жители, во регионот е 5,881**, додека овој показател во ЕУ28 е 10,713 (82% повисока) и за ЕУ13 (“новите” земји-членки) е 9,029 (53% повисока). Овој индикатор е највисок во Црна Гора (7 250) и Србија (7 048), а најмал е индикаторот за Албанија (4,463) и за Косово (4,531). Во Естонија, овој индикатор е повисок од просекот на ЕУ. Оттука, имајќи го предвид пониското ниво на буџетските капацитети на БДП и на ОВ, јавните администрации во регионот треба да вложат повеќе напори за квалитетот на јавните услуги кон граѓаните и бизнисот – **иницијатива за ефикасност и ефективност**.
- **Надоместокот за вработување во општата влада (нивоата на власт) како % од БДП** варира помеѓу земјите-кориснички на РесПА (просечно 9,1%). На

222 За некои земји, единствените податоци кои се на располагање се оние од класификацијатана економските активности NACE.rev2 во деловите О, Р и Q («Вработеност во јавната управа, одбраната, здравството, социјалното осигурување») Истото објаснување е користено и во компаративната анализа на ЕУ во Поглавјето 1 од оваа студија. (фуснота 51 на стр.17).

највисоко ниво е во Босна и Херцеговина, Црна Гора и Србија, а најмала е во Македонија и Албанија. Косово е, исто така, под регионалниот просек. Бидејќи ЕУ28 е 10,1%, со план за постепено намалување на овој индикатор на среден рок, Босна и Херцеговина, Црна Гора и Србија треба да го следат тој тренд и да се усогласи нивото на овој индикатор со просекот во ЕУ28 и ЕУ13 (во согласност со нивото на БДП во нивните економии). Сепак, Хрватска, Словенија и Естонија не планираат да го намалат овој индикатор на нивото на ЕУ28 во 2017 година (ќе го задржат на 11,3-11,5).

- Надоместокот за вработувања **во ОВ како % од БДП треба да биде повеќе во согласност со капацитетите на реалната економија измерени со БДП / по глава на жител во Стандардот за куповна моќ (ЕУ=100)**, имајќи предвид дека просекот во ЕУ 13 е 71, Хрватска, Словенија и Естонија 58, 83 и 74, соодветно.
- Во однос на **Светскиот индикатор за управување, димензија “Ефикасност на владата” (WGI indicator)**, земјите-кориснички на РЕСПА се доста пониску од просекот на ЕУ (ЕУ 28 - 3,6, ЕУ 13 - 3,3 и ЗБ 6 - 2,4) и одредени земји-членки (Хрватска - 3,2, Словенија - 3,5 и Естонија -3,5).
- Работејќи на заедничките предизвици поврзани со реформите и одговорот на земјите на овие предизвици, фокусот на регионалната анализа во поглавје III.⁴ е на големината, трошоците и ефективноста на реформите во ЈА во земјите-кориснички на РЕСПА. Нема **директна поврзаност** помеѓу (помалата) големина на владата и (повисока) ефикасност на трошењето, или големината на трошоците и индикаторот за квалитетот на владата. Во сите земји од регионот на Западен Балкан постои сложена структура на различни политички, правни, економски и институционални фактори кои влијаат на конечниот резултат на ефективноста на ЈА.
- Кога станува збор за процесот на оптимизација на РЈА, повеќето национални реформски иницијативи може да се класифицираат според овие клучни аспекти: **буџетски мерки** (на пример, намалување на буџетот, замрзнување на платите во јавната администрација, развивање на политиката за една плата за општата влада (нивоата на власт), односно на системот на плаќања); **мерки кои се однесуваат на управување со човечките ресурси** (на пример, технолошки вишок, програми за предвременно пензионирање, ограничување на максималниот број на вработени во секоја институција, воспоставување и одржување на евиденцијата за внатрешниот пазар на труд, флексибилна мобилност и преместување на работната сила, кариерната структура, измените во систематизацијата и описот на работните места според планот за човечки ресурси); **мерки кои се однесуваат на промени во контекст на организациската ефикасност и ефективност** (на пример, развивање на поефикасни процедурални барања за регулирање во рамките на владата и зајакнување на контролата во рамките на администрацијата - преку ИКТ иницијативи како најважниот аспект во процесот на оптимизацијата и одличен двигател на промените; развивање на «отворена влада и воведување на е-влада, со подобрени практики на консултации со јавноста); **мерки насочени кон реформирање на процесот на донесување одлуки** (на пример, механизми на стратешко планирање и координација, ПВП, *ex ante* контрола на стандардите како процена на влијанието на новите прописи).
- Во однос на **управувањето со буџетот**, може да се заклучи дека се воспоставени буџетски процеси и обично вклучува среднорочни буџетски рамки. Календарот за годишниот буџет е дефиниран а системите за фискални менаџмент во текот на годината функционираат. Трезорскиот систем овозможува контрола и министерствата за финансии биле во можност да го ограничат трошењето на јавните пари. Покрај тоа, исполнети се основните услови за транспарентноста на буџетот.
- Општо земено, **системот за управување со човечки ресурси** е развиен во сите земји од регионот. Статусот на државни службеници и на други вработени во институциите на јавната администрација се дефинирани со законите за

државни службеници и други релевантни закони. Професионализацијата на јавните службеници со мериторно вработување и унапредување е заштитена со законите за државни службеници и поврзаните подзаконски акти. Критериумите и постапката за отпуштање и дисциплинските постапки, вклучувајќи и можност за жалба, се содржани во законите. Подготвени се и информациски системи за човечки ресурси и централни регистри на државни службеници. Исто така, системите за плати и надоместоци се утврдени со законите и подзаконските акти. Подготвени се и општите правила и протоколи во врска со професионален развој. Пропишано е оценувањето на работата. Воспоставени се етички законски рамки со голем број на законски мерки со кои се спречува корупција и се охрабрува интегритет во јавната администрација.

- Обезбедени се предусловите за **организациска ефикасност и ефективност**. Организацијата и одговорностите на јавните администрации се пропишани со прописите. Подготвена е правната рамка за пристап до информации од јавен карактер, вклучувајќи ја и обврската за активно ширење на информации од јавен карактер. Воспоставени се механизми за внатрешен и надворешен надзор во однос на органите на државната управа. Политиката за подобрување на јавните услуги е вклучена во стратешките документи и владите се посветени на администрација насочена кон корисникот. Активностите за намалување на административните бариери главно се насочени кон бизнисите. Законодавството за општата управна постапка, генерално, ги исполнува стандардите на добра администрација. Постојат бројни е-услуги, а стапката на нивно прифаќање од страна на граѓаните се зголемува.
- Во областа на **процесот на донесување одлуки**, правната основа и институционалните структури, вклучувајќи ги и оние за европска интеграција, се во голема мера подготвени да обезбедат конзистентен систем на донесување на одлуки. Воспоставени се правната основа и институционалните структури за ефикасно спроведување на консултации со јавноста и за соработка со невладиниот сектор. Воведени се модерните законодавни техники (номотехничките правила, Процената на влијанието на прописите – ПВП, Дерегулација и поедноставување на прописите). Во сите земји, националните закони се достапни во електронска форма преку службените весници.

Сепак, истражувањето покажа некои **слабости на процесот на оптимизација** што се однесуваат на одредена област на овој процес. Ова се главните слабости:

- **Процесот на РЈА** - недостатокот на конзистентност на процесите на РЈА; недостаток на конзистентност на содржините на стратегиите за РЈА; недостаток на конзистентност на секторско планирање и среднорочните финансиски планирања и недостаток на релевантна методологија за овој процес; недостатокот на ефикасен механизам за следење на буџетските влијанија.
- **Буџетски систем** - годишните буџетски предлози не ги содржат сите потребни информации; транспарентноста на буџетот не е сеопфатна, наовремена и сигурна; планирањето на средствата од фондовите на ИПА не е униформирано на регионално ниво во однос на координација со подготовките во рамката за среднорочни трошоци.
- **Систем за управување со човечки ресурси** - политизација и ограничени капацитети; голем број на вработени во јавната администрација кои вршат клучни државни функции без статус на државен службеник; недостатокот на методологија за утврдување на потребниот број на државни службеници и други вработени во јавната администрација; во пракса, постапките за избор и именување на менаџери на високи позиции не гарантираат вработување кое се темели на заслуги; недостаток на ефикасен систем за транспарентен избор само врз основа на професионални критериуми (компетенции); информациските системи за управување со човечки ресурси и централните регистри на државни службеници

не се целосно развиени; недостаток на алатки за евалуација на работните места со цел да се има поффер систем на плати и надоместоци; недостаток на стратешко планирање за професионалниот развој и обуката на органите на државна управа; недостаток на критериуми за оценување на работата.

- **Организациска ефикасност и ефективност** - широк спектар на јавни тела без јасни насоки за тоа која правна форма е соодветна за кои задачи (на пример, државните агенции); недостаток на систематска анализа во врска со организацијата и функционирањето на органите на државната управа; квалитетот и исплатливоста на услугите не е предмет на редовна проверка и јавните институции не бараат активно повратни информации од граѓаните; независноста на институцијата на Народниот правобранител е ограничена во некои области (на пример, назначувања, финансиски менаџмент) а спроведувањето на препораките е на ниско ниво; практичната примена на правото за пристап до информации е комплицирана од голем број на проблеми, вклучувајќи ги и преширокиот опсег на исклучоци и недоволно независен мониторинг; новите закони за општата управна постапка сè уште не се развиени во сите земји од Западен Балкан; бројот на е-услуги за граѓаните преку е-владиниот портал е ограничен, исто како и бројот на услуги кои нудат можности за трансакција; недостаток на систем за мерење на нивото на задоволство на клиентите со постојните јавни услуги.
- **Процес на донесување одлуки** – не е обезбеден систем за среднорочни планирања во сите земји од Западниот Балкан, а онаму каде што е воспоставен, недостасува сеопфатен пристап и јасни усогласувања на среднорочните стратешки документи со фискалната стратегија; координацијата на среднорочното планирање не е регулирана, вклучително и за одлуките околу донесувањето на секторските стратегии; не е осигурено редовно известување за имплементацијата на развиените стратегии и транспарентноста е на ниско ниво; активностите во Планот за европски интеграции не се јасно приоритизирани, а информациите за буџетските барања не се доволни за да се гарантира дека тие се одржливи; информациите во врска со агендата на официјалните седници на владата не се јавно достапни навремено; консултациите со јавноста не се развиени на задоволително ниво во сите земји од Западен Балкан (на пример, не се спроведуваат на време, временски рокови, исклучоци); ПВП не е развиена на задоволително ниво (на пример, исклучоци, низок квалитет на ПВП анализа); недостатокот на официјални услови и на механизам за планирање на спроведувањето на прописите открива тешкотии во спроведувањето на прописите и систематска пракса за анализа на спроведувањето на главното законодавство.
- Да заклучиме, **направен е напредок во сите области на процесот на оптимизација, но сè уште се потребни фундаментални подобрувања**. Имајќи ја предвид Студијата, може да се заклучи дека сите земји од Западен Балкан имаат долгорочни стратешки мерки во сите области на процесот на оптимизација. Сепак, во иднина, мора да се подобрат долгорочните мерки и да се обезбеди континуитет на нивното идно планирање и спроведување.
- Сите земји од Западен Балкан спровеле/спроведуваат краткорочни и долгорочни мерки за оптимизација односно за доведување на ЈА на доволна големина, кои биле насочени првенствено на кретење на буџетот и на вработените. **Ефектите од спроведените мерки** варираат од земја до земја во однос на следниве критериуми: намалување на бројот на вработени во јавниот сектор; подобрување на управувањето со човечки ресурси; подобрување на планирањето и стандардизација на политиката за платите во јавниот сектор, во согласност со фискалниот капацитет на економијата; подобрување на ефикасноста, продуктивноста и подобрување на квалитетот на услугите; стратешко и буџетско планирање, односно намалување / усогласување на буџетските расходи. Во повеќето земји, спроведените мерки имале влијание врз подобрувањето на сите зададени критериуми, освен во намалувањето на јавниот сектор во случајот со Албанија, на централно ниво на БиХ, Црна Гора

и Косово, како и за подобрување и стандардизација на политиката за платите во јавниот сектор во случајот на централното ниво на БиХ и Македонија. Особено внимание во Студијата е посветено на значењето на **регионалната соработка во процесот на оптимизација**:

- **Регионалната соработка** е принцип од највисоко значење за политичката стабилност, безбедноста и економскиот развој на земјите од Западен Балкан. Многу од предизвиците со кои се соочуваат земјите од Западен Балкан не се вообичаени само за нив, туку, исто така, имаат прекугранична димензија, која ги вклучува и нивните регионални соседи. Во рамките на процесот на стабилизација и асоцијација, **регионалната соработка и добрососедските односи** се од суштинско значење за стабилноста и тековниот процес на помирување во регионот. Имајќи ја предвид комплексноста на процесот на оптимизација на јавната администрација и актуелните состојби во одредени области на процесот на оптимизација во одделните земји од Западен Балкан, регионалната соработка **преку размена на искуства и заеднички напори** може значително да придонесе во надминување на некои од националните предизвици и да го забрза постигнувањето на целите во клучните сектори.
- Регионалната компаративна студија дефинира **рамка за регионална соработка по компоненти од процесот на оптимизација на РЈА** (самите реформи во ЈА, Буџетот, управувањето со човечките ресурси, организациска ефикасност и ефективност и процесот на донесување одлуки) и вклучува потенцијални **области на интервенција, начини на регионалната соработка** (развивање на политики, размена на информации, практични знаења и искуства; градење на капацитетите и изготвување на прирачници за конкретни иницијативи за доведување на ЈА до соодветна големина) улогата на РеСПА и улогата на земјите од Западен Балкан.

2. Препораки

Овој дел дава севкупни препораки врз основа на компаративна анализа во оваа Студија. Ова се севкупните заклучоци:

- Сите земји, во согласност со нивната моментална ситуација, треба да продолжат да го зајакнуваат процесот на РЈА, со цел да се обезбедат **ефикасни, ефективни и транспарентни системи за планирање, спроведување, следење, евалуација и известување за РЈА**. Во тој контекст, потребно е да се: подобри содржината и суштината на концептот на стратешките документи за РЈА; подобри методологијата на оперативното планирање, следење и известување за РЈА; зголеми ефективноста и ефикасноста на механизмите за координирање на имплементацијата на активностите за РЈА; зголеми транспарентноста на извештаите за спроведувањето на оперативните планови на стратегијата за РЈА.
- Сите земји, во согласност со нивната моментална ситуација, треба да продолжат да го зајакнуваат **системот за буџетско планирање и извршување со цел да се обезбеди** постоење на програма за реформи на УЈФ, покривајќи го целиот буџетски циклус (планирање, извршување, мониторинг и известување) и транспарентноста на буџетот. Во овој контекст, потребно е да се: зајакне среднорочната буџетска рамка (изработка на планови за мерки на фискалната политика, подготвување на упатства за подобро поврзување на стратешките цели на владата со целите на буџетските програми; воспоставување на единствена методологија за подготовка на секторски стратегии која вклучува пресметка на трошкови за сите активности за спроведување на секторските стратегии; зајакнато планирање и презентирање на повеќегодишните заложби во буџетот); зајакнување на подготовката на годишниот буџет (анализа на постојното законодавство и постојните процедури;

развивање на релевантни методологии за програмирање, подобрување на планирањето и програмирањето на надворешната помош, подготовка на соодветни прирачници, подобрување на транспарентноста на буџетот преку негова подобра визуелизација); подобрување на планирањето на капиталните проекти (евалуација на предложените проекти за јавни инвестиции; развивање на методологија за следење на спроведувањето на одобрени капитални проекти; усогласување на процедурите за планирање, евалуација и селекција на сите капитални проекти без разлика на изворот на финансирање, националните и локалните буџети, ЕУ фондови и од други извори и известување), подобрување на системот на плати и други примања на јавните службеници (воведување на нов систем за фер плата, воведување на подобро управување и контрола на плати).

- Сите земји, во согласност со нивната моментална ситуација, треба да продолжат со зајакнување на **управувањето со човечките ресурси**, со цел да се обезбеди мериторно вработување и унапредување, систем за УЧР / ИСУЧР, професионален развој, наградување, етика / интегритет. Во овој контекст, потребно е да се: развијат стандарди и процедури за селекција на кандидати за високи менаџерски позиции во ЈА (компетенции); зголеми конкуренцијата и намали дискрецијата при донесување на одлука за избор на кандидати (на пример воведување на електронско тестирање на кандидатите); развијат стандарди и постапки за подобрување на планирањето на управувањето со човечки ресурси; развијат стандарди и процедури за функционирање на регистри за човечки ресурси; утврди рамка на закони и политики за стратешко управување со човечки ресурси и да се развијат инструменти за стратешко управување со човечки ресурси; зајакне професионалниот развој и системот за обука на ЈА (стратешко планирање, ефективна имплементација, мониторинг и известување, лиценци за обучувачи, критериуми за правни лица како потенцијални изведувачи); развијат мерливи критериуми за оценување на работата; да се воспостави и води евиденција на внатрешниот пазар на труд во системот на државната управа.
- Сите земји, во согласност со нивната моментална ситуација, треба да продолжат да ја зајакнуваат **организациската ефикасност и ефективност**, со цел да се обезбеди рационална организација на државната администрација (на хоризонтално и вертикално ниво), како и правата на граѓаните на добра администрација, пристап до информации од јавен карактер, управно-судска заштита и надомест на штета. Во овој контекст, потребно е да се: развие стандардна методологија за спроведување на анализа во врска со функционалните и финансиските ефекти од институциите на јавната администрација; подобри децентрализацијата и децентрацијата на јавната администрација преку зајакнување на аналитичката и стратешката рамка; продолжи со поедноставувањето и забрзувањето на административните процедури (подготовка / спроведување на нови закони за административните процедури и управен спор; усогласување на посебните постапки предвидени во посебните закони / прописи - спроведување на анализа); зајакнување на капацитетите за човечки ресурси на управната инспекција; продолжи со развивање на е-услуги со висок степен на корисничко искуство (за ЈА, образование, претпријатија, граѓани).
- Сите земји, во согласност со нивната моментална ситуација, треба да продолжат со зајакнување на **процесот на донесување одлуки** - со цел да се осигури ефикасно, ефективно и транспарентно планирање на политиките и систем за координација, како и инклузивни политики и политики базирани на докази и развивање на законодавството. Во овој контекст, потребно е да се: воспостави сеопфатен и рационален систем на среднорочно планирање на политиките и да се подобри квалитетот и стапката на имплементација на секторските стратегии (избор на соодветни методологии, подготовка на законска и стратешка рамка, зајакнување на капацитетите); зголеми транспарентноста на системот за управување со јавни политики; зголеми употребата на современи аналитички алатки за изработка на закони и подобар квалитет на јавните консултации, ПВП,

ex-post анализа (подобрување на стратешката и правната рамка, процедури, зајакнување на капацитетите).

- Сите прашања поврзани со оптимизацијата заземаат централно место во **социоекономските политики на сите земји од Западен Балкан** и претставуваат основни елементи на процесот на пристапување во ЕУ. Земјаки ги предвид националните специфики и општите барања, треба да се воспостави регионалната соработка во областа на оптимизацијата на јавната администрација врз основа на конкретна Регионална програма. Оваа програма треба да обезбеди рамка со која ќе им се помогне на владите во регионот да ги спроведат своите индивидуални стратегии за развој, вклучувајќи цели поврзани со пристапувањето во ЕУ, преку подобрување на националните напори преку регионална соработка фокусирана на овие конкретни прашања кои можат да имаат корист од еден заеднички пристап.
- **Можни начини на соработка во рамките на регионалната соработка**, во зависност од одредената област на оптимизација, треба да бидат следните: **развивање на политики** (спроведување на студии, процени и истражувања, давање препораки, поддршка во подготовка на стратешки документи и законски рамки, подготовка на регионални и национални упатства и прирачници, форуми за политики, експертски мисии); вмрежување (организирање на конференции, стручни собири; веб-страница / линкови: информации за релевантни документи, настани, обуки, семинари, работилници), градење на капацитети (обуки, семинари), **развивање на конкретни прирачници за различни иницијативи за доведување на ЈА да доволна големина**. Потенцијалните области на интервенција и модели на регионална соработка се детално претставени во Поглавјето IV.2.
- Имајќи ги предвид надлежностите на РеСПА, капацитетот на организацијата, како и претходните напори и резултатите поврзани со РЈА, **РеСПА е призната како регионален координатор на активностите поврзани со подготовка и успешна реализација на оваа регионална иницијатива**. Регионалната програма за оптимизација на јавната администрација во земјите од Западен Балкан треба да се развие и спроведе во тесна соработка помеѓу РеСПА и земјите од Западен Балкан, во согласност со нивните конкретни улоги.

ANNEXES

Annex 1: Selected indicators and recommendations

1. Albania

Table 1. Selected economic indicators

REAL SECTOR, INFLATION, EMPLOYMENT, WAGES	2014	2015
GDP, in current prices, € millions	9,997	10,322
GDP, in current prices, ALL millions	1,394,419	1,442,956
GDP real growth rate, % (IMF projection for 2016)	1.8	2.6
Population	2,894,000	2,892,303
GDP pc, in €	3,454	3,569
Registered employment, in 000s, in December	925,339	972,621
Registered unemployment (administrative sources), in 000s, in December	141,998	149,148
Unemployment rate (Employment Office)	13.3%	13.3%
Unemployment rate (LFS, year)	17.9%	17.5%
Net average wage in ALL	53,025	54,000
Current account balance, % of GDP	-12.9%	-11.2%
Net FDI, € millions	811.5	870.6
Net FDI, % of GDP	8.1%	8.4%
PUBLIC DEBT TOTAL, ALL millions	977,957.0	1,043,100.0
PUBLIC DEBT as % of GDP	70.13%	72.29%
PUBLIC FINANCES		
Public consumption, ALL millions	438,849	437,350
Public consumption, % of GDP	31.5%	30.3%
Of which – gross salaries ALL millions	71,373	72,489
Gross salaries as % of GDP	5.1%	5.0%
Public revenues ALL millions	366,721	380,292
Public revenues as % of GDP	26.3%	26.4%
Balance of public finance (surplus/deficit) ALL millions	-72,128.0	-57,058.0
Deficit as % of GDP	-5.2%	-4.0%
Annual debt payment, ALL millions	57,782.0	100,336.0
Missing funds (deficit + annual debt payment) ALL millions	129,910.0	157,394.0
Missing funds as % of GDP	9.3%	10.9%

Table 2. Key recommendations: SIGMA/OECD 2015

Optimization aspects	Short-term (1–2 years)	Medium-term (3–5 years)
Budget	<ol style="list-style-type: none"> 1) Ensure that the MTBP contains comparable data from independent institutions, in order to give the forecasts credibility 2) Examine and consider the adoption of a more top-down (structured) process to replace the existing bottom-up (demand-led from all budget units) approach for drafting the MTBP 3) Ensure that budget appropriations are calculated with close alignment to the operational activities of the budget units 4) Ensure that, if new policies are implemented in the budget, their financial cost and related performance outputs are made visible within the budget documents 5) Ensure the publishing of a monthly profile of expected revenue and expenditure against which actual outputs can be measured 6) Ensure monitoring of the arrears prevention strategy and recording in the Treasury system 7) Ensure that the Annual Report on the Execution of the Budget mirrors the original budget format and explains variations 8) Ensure that the Annual Report on the Execution of the Budget (and draft budget) contain an analysis of fiscal risks and contingent liabilities, including those presented by SOEs 	<ol style="list-style-type: none"> 1) Ensure that the draft budget contains non-financial performance information against which results in the Annual Report on the Execution of the Budget can be analysed and assessed 2) Implement a regular monitoring system for the financial situation of SOEs 3) Provide education programmes for employees regarding budgeting and accounting principles 4) Complete an inventory of state assets and maintain an asset register
Human Resources Management	<ol style="list-style-type: none"> 1) Ensure that Law 152/2013, “On Civil Servants”, and its secondary legislation are consistently implemented across the new scope of the public service 2) Clarify the co-ordination structure and ensure the effective implementation of the PAR Strategy and AP 3) Create inter-operability of the HRMIS with the salary and social security registries 4) Continue to monitor and report on the HRM in the public service in order to ensure transparency and openness of the administration 5) Ensure an adequate budget for the ASPA. 	<ol style="list-style-type: none"> 1) Ensure that the parliament regularly discusses and follows up recommendations by the Commissioner for the Oversight of the Civil Service, as well as the recommendations by other oversight institutions, including the People's Advocate and the High State Control related to the public administration 2) Develop and apply an analytical job evaluation system linked to a new salary structure in order to advance the horizontal career of public servants and increase the fairness of the salary system.
Organizational Efficiency and Effectiveness	<ol style="list-style-type: none"> 1) Continue implementation of the new Law on Access to Public Information in the whole state administration 2) Undertake urgent action to increase the capacity of administrative courts in dealing with the backlog of administrative cases 3) The Law on the Ombudsman should be amended to broaden the scope of responsibility to cover all the bodies of the executive branch 	<ol style="list-style-type: none"> 1) Improve the mechanism for reviewing proposals for the creation of new administrative bodies by introducing uniform criteria and methodology 2) Conduct an ex-post assessment of the new Law on Access to Public Information, particularly to examine how exemptions from access to public information are interpreted in practice

	<p>4) Introduce mechanisms for monitoring the implementation of the Ombudsman's recommendations and undertake action to limit the level of non-response by public institutions</p> <p>5) Continue efforts to progress with delivery agreements</p> <p>6) Ensure that preparations for the implementation of the new Code of Administrative Procedures are made, including awareness raising, training, creating an inventory of special administrative procedures and limiting their number</p> <p>7) Continue to implement the "Public Service Mall" project and development of one-stop shops in municipalities</p> <p>8) Further increase the number of services accessible via the e-Albania portal, as well as the number of e-services that offer communication or transaction possibilities</p>	<p>3) Include a reduction of the backlog of court cases in its long-term strategic priorities and set quantitative indicators to monitor progress in achieving this objective</p> <p>4) Introduce horizontal mechanisms to monitor court cases that result in liability for the state</p> <p>5) The Minister of Innovation and Public Administration should have a leading role in developing policies and mechanisms for the regular review of the cost-effectiveness of public services, and an instrument to evaluate citizen satisfaction with those services should be introduced</p> <p>6) Include increasing accessibility of public services for users with special needs as a policy priority in the area of service delivery</p>
Decision-making process	<p>1) Develop a coherent planning and prioritization system for its activities and formally adopt its regular work plan(s)</p> <p>2) Strengthen the co-ordination, scrutiny and monitoring of the content of proposals in the OPM against the requirements of evidence-based policy development and against government priorities</p> <p>3) Provide accurate cost estimates regarding the most important EI-related reforms and activities</p> <p>4) Establish a comprehensive monitoring practice on the NPEI and publish monitoring reports for each quarter, as is done for other reports</p> <p>5) Review planning systems with a view to rationalizing and streamlining the system of planning documents, and with a view to co-ordinating and aligning the different monitoring processes and ensure formal adoption and publishing of central planning documents and reports</p> <p>6) Ensure constant monitoring and public reporting on the achievements of all strategy implementation against the adopted objectives</p> <p>7) Improve cost estimates for each strategy, including full costs and clearly identifying donor funding needs, and then fully harmonizing the costs of strategies with the MTBP</p> <p>8) The government should send its annual legislative agenda to the parliament before the start of a new legislative year and the document should be subject to parliamentary scrutiny</p> <p>9) The government should pro-actively send law implementation reports to the parliament on a routine basis for all major legislation and discuss these with the parliament</p>	<p>1) Line ministries should provide accurate costing estimates regarding all EI-related reforms</p> <p>2) The MEI and line ministries should jointly steer the transposition process to a level whereby it is executed as a regular, routine task, integrated into the day-to-day activities of the administration</p> <p>3) The MEI should prepare for its future task of co-ordinating accession negotiations by applying the experience it has gained through co-ordinating the Stabilization and Association Agreement (SAA) negotiations</p> <p>4) Develop a comprehensive monitoring approach that co-ordinates current monitoring practices and thereby enables the parliament and the public to assess the achievement of outcomes of government strategies, EI progress, government work plans and the government's legislative programme</p> <p>5) The line ministries should provide detailed total cost estimates for all activities to be pursued under a strategy. National budget provisions and donor funding needs should be highlighted separately.</p> <p>6) The government should provide the parliament with detailed information on the actual implementation of sectoral strategies along with important laws and policies</p> <p>7) The parliament should fully integrate its control function on the implementation of government proposals and commitments within</p>

<p>10) Improve the capacity of the EI units in the line ministries</p> <p>11) Improve policy development practices by developing the tools for comprehensive <i>ex-ante</i> analysis and by providing guidance on costing, consultation and policy analysis to the line ministries</p> <p>12) Ensure training on the different aspects of policy development to the appropriate CoG institutions, and regular training of staff dealing with policy development</p> <p>13) Ensure proper and consistent application of the Law on Consultation and monitoring of the progress;</p> <p>14) Ensure that any legislation not yet electronically available becomes accessible through the online registry for legislation.</p>	<p>its oversight and scrutiny role for policy development and implementation</p> <p>8) Establish a comprehensive support structure and training curriculum for policy development</p> <p>9) Ensure that consolidated versions of primary and secondary legislation are publicly available for all legislation which is in force</p> <p>10) Establish an RIA system to be employed by all line ministries to ensure high-quality practices for <i>ex-ante</i> policy analysis.</p>
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Source: SIGMA (2015) Baseline Measurement Report, The Principles of Public Administration Albania, OECD Publishing, Paris, http://www.sigmaweb.org/publications/Baseline_Measurement_2015_Albania.pdf.

2. Bosnia and Herzegovina

Table 1. Selected economic indicators

SELECTED INDICATORS	BH		Federation BH		Republic Srpska		Brcko District	
	2014	2015	2014	2015	2014	2015	2014	2015
GDP, in current prices, € millions	13,961	14,592	9,108.1	9,382.7	4,523.6	4,678.6	329.3	353.8
GDP, in current prices, KM millions	27,304	28,540	17,813	18,697	8,847	9,150	644	692
GDP real growth rate, % (IMF projection for 2016)	1.4	3.2						
Population	3,827,343	3,819,000						
GDP pc in €	3,648	3,821						
Employment, in 000s, in December	707,725	715,425	443,587	450,121	241,544	245,975	16,332	16,506
Registered unemployment, in 000s, in December	547,134	537,568	391,427	390,204	145,919	139,465	9,788	7,899
Unemployment rate (Employment office)	43.6%	42.9%	46.9	46.4	37.7	36.2	37.5	32.4
Unemployment rate (LFS, year)	27.5%	27.7%	28.4	29.1	27.0	25.7	35.4	30.3

Net average wage in KM	830	830	833	830	825	831	814	821		
Current account balance, % of GDP	-7.5%	-5.6%								
Net FDI, € millions	716.82	402.79								
Net FDI, % of GDP	2.6%	1.4%								
PUBLIC DEBT TOTAL, € millions	11,516.3	11,936.9	6,360.76	6,572.48	5,059.72	5,278.21	36.85	30.47	58.99	55.77
PUBLIC DEBT as % of GDP	42.18%	41.83%	36	36	57	58	6	4		
GENERAL GOVERNMENT FINANCES (KM millions and % of GDP)	Total BH consolidated		Federation BH		Republic Srpska		Brcko District		BH institutions	
General government consumption, KM millions	11,350.1	11,587.0	6,652.2	6,843.2	3,652.3	3,700.6	219	220.1	940.3	935.9
Public consumption, % GDP	41.6%	40.6%								
Of which – gross salaries	3,265.51	3,294.27	1,655.5	1,660.1	922.4	939.3	66.1	64.0	621.5	630.8
Gross salaries as % of GDP	12.0%	11.5%	9.3	9.0	10.4	10.3	10.3	9.3		
General government revenues	11,961.7	12,335.1	6,972.1	7,196.5	3,769.8	3,931.3	223.7	232.0	1,109.8	1,088.4
Public revenues as % of GDP	43.8%	43.2%								
Balance of public finance (surplus/deficit) KM millions	611.6	748.1								
Deficit as % of GDP	2.2%	2.6%								
Annual debt payment (KM millions) – for foreign debt	846.7	612.8	555.2	394.5	285.4	210.8	1.6	3.0	4.4	4.5
as % of GDP	3.1%	2.1%	3.1%	2.2%	3.2%	2.3%	0.2%	0.4%		

Missing funds (deficit + annual debt payment for foreign debt)	-235.1	135.3							
Missing funds as % of GDP	-0.9%	0.5%							

Sources: The Agency for Statistics of Bosnia and Herzegovina (BHAS), <http://bhas.ba>;
Report of the Execution of the Budgets of the Institutions of the BH and the International Obligations of the BH for 2014, http://www.mft.gov.ba/bos/index.php?option=com_content&view=article&id=145&Itemid=95;
Law on the Budgets of the Institutions of BH for 2016, OG BH No. 101/15
Central Bank of Bosnia and Herzegovina, Database Panorama Necto, General Government Statistics, http://statistics.cbbh.ba:4444/Panorama/novaview/SimpleLogin_en.aspx;
Republic Office of Statistics of the RS, <http://www.rzs.rs.ba/front/category/272/>;
Federal Office for Statistics of the Federation of BiH, <http://fzs.ba/>;
Questionnaire, September 2016.

Table 2. Key recommendations: SIGMA/OECD 2015

Optimization aspects	Short-term (1–2 years)	Medium-term (3–5 years)
Budget	<p>1) The MoFT at the state level, the MoF of the FBH, the MoF of the RS and the Finance Directorate of the BD should each amend the respective budget laws to allow more time for parliamentary consideration.</p> <p>2) The MoFT at the state level, the MoF of the FBH, the MoF of the RS and the Finance Directorate of the BD should each ensure that the information given in the respective annual Budgets includes an end-of-year estimate of each budget user's spending for the current year.</p> <p>3) The MoF of the FBH, the MoF of the RS and the Finance Directorate of the BD should each ensure that in the entities and the BD, the EBFs (extra-budgetary funds) have been brought fully into the budgetary approval process.</p> <p>4) The MoFT at the state level, the MoF of the FBH, the MoF of the RS and the Finance Directorate of the BD should each ensure that the full costs of IPA projects are recorded in both the MTBFs and the annual budgets.</p> <p>5) To promote greater public awareness, the draft and adopted budget and all the background documents should be published on the respective websites of the MoFs once adopted at the government level.</p> <p>6) At the state level, the MoFT should publish a monthly budget review, comparing the actual outcomes each month against a projected monthly profile compiled at the beginning of the year. Similar provisions should apply in the entities and the BD.</p> <p>7) The monthly budget reviews should break down expenditure by budget user, and it should be comprehensive, including EBFs where they exist.</p> <p>8) Where local authorities are required to report their quarterly reports to the Federal MoF of the FBH and the MoF of the RS, these should be published by the respective ministries.</p>	<p>1) The Fiscal Council should ensure that the reports of the respective budgets (including those of the state, the entities and the BD) are consolidated into an annual report based on Eurostat standards, and this should be presented to the Parliamentary Assembly for its consideration at the time of the annual Budget discussions.</p> <p>2) The state-level MoFT should examine the feasibility of establishing an independent fiscal council and should submit a report on this to the CoM of BH.</p> <p>3) The MoFT at the state level should ensure that the consolidated data for the state, the entities and the BD is published to ESA standards as part of the Annual Financial Statement at the state level.</p> <p>4) The MoFT at the state level should prepare and publish a debt management strategy as part of the budget and include a sensitivity analysis as well as a breakdown of all relevant information on debt and guarantees.</p>

<p>Human Resources Management</p>	<p>1) The CoM of the BH and the Government of the FBH should identify a minister responsible for policy making in the area of public service, and should equip this minister with the necessary tools for ensuring a professional and coherent public service system.</p> <p>2) The CSAs of the state institutions, the FBH and the RS, and the Sub-Department for HRM of the BD of BH should continue regular co-operation to develop and implement an action plan for “The Common Policy Framework of HRM at all administrative levels of BH” once the CoM of the State, the Government of the FBH and the Government of the RS have approved the Common Policy Framework.</p> <p>3) The CSAs of the state institutions and of the FBH, in co-operation with the respective Data Protection Agencies, should find a workable solution to remove the identified barriers in making the HRMISs operational as tools for civil service strategy planning and decision-making.</p> <p>4) The CoM of BH, the Government of the FBH and the Government of the RS should propose amendments to the respective CSLs and secondary legislation to ensure merit-based recruitment of expert-level public servants.</p> <p>5) The CSA of the state institutions, the FBH and the RS, and the Sub-Department for HRM of the BD should ensure the proper implementation of the recruitment regulations of senior civil servants to prevent direct or indirect political influence on senior managerial positions in the public service.</p> <p>6) The Administrative Inspections and the Institution of the Ombudsman of BH should strengthen the oversight capacity to ensure strict implementation of public service legislation across the administration of BH.</p> <p>7) The CSA of the state institutions, the FBH and the RS, and the Sub-Department for HRM of the BD, within the authorities given by the respective CSLs, should co-ordinate the monitoring and reporting of the state of affairs of the public service in BH to increase the transparency and coherence of the system in practice.</p> <p>8) The ACA (Anti-Corruption Authority) should improve its capacity to promote public service integrity across the administration of BH.</p>	<p>1) The Government of the FBH should empower the CSA with sufficient authority and resources to:</p> <ul style="list-style-type: none"> - provide instructions, guidelines and advisory support to the cantons to draft and implement the new laws on the civil service; and - harmonize HRM tools and practices in all the administrative bodies of the FBH. <p>2) The CoM of BH, the Government of the FBH, the Government of the RS and the Government of the BD, while developing and adopting the new strategic framework for PAR in BH, should pay particular attention to public service professionalization, including targeted training, development and performance appraisal of public servants.</p> <p>3) The CoM of BH, the Government of the FBH, the Government of the RS and the Government of the BD should create a competency framework for senior public servants, which would serve as a solid foundation for merit-based recruitment and professional development of a strong and sustainable <i>esprit de corps</i> in the public service of BH.</p>
<p>Organizational Efficiency and Effectiveness</p>	<p>1) The CoM of BH should review the provisions of the Law on Administration and the Law on Ministries and Other Administrative Bodies to eliminate overlap and to ensure that the rules for the creation of administrative bodies clearly determine the required legal form of those institutions and enable control of cost-effectiveness.</p> <p>2) The laws on access to public information should be amended by the Parliamentary Assembly of BH, the Parliament of the Federation of BH, the National Assembly of the RS and the BD Assembly to specify an extensive catalogue of information which should be proactively disclosed. In addition, selected institutions need to be given the power to impose sanctions for non-compliance with the obligation to provide access to public information. The regulations on appealing decisions on access to public information should also be changed.</p> <p>3) The Parliamentary Assembly, the Parliament of the FBH, the National Assembly of RS and the BD Assembly should undertake action aimed at increasing the responsiveness of the Executive to the Ombudsman's recommendations.</p>	<p>1) The MoJ at the state level should review the existing regulations on public liability to ensure that they:</p> <ul style="list-style-type: none"> a. are clear and easily accessible; b. define a broad scope of public liability; c. do not jeopardize the effective exercising of the right of action for compensation. <p>2) The CoM of BH should introduce mechanisms to monitor court cases that result in the liability of the state, with the goal of improving administrative procedures and decisions and, thus, reducing public liability cases in the future.</p>

	<p>This may include a parliamentary committee debating the recommendations on a regular basis, desiderata and interpellations addressed to the executive bodies, and regular hearings of officials.</p> <p>4) The CoM of BH, the Governments of the FBH, the RS and the BD should agree on a single approach towards the policy for service delivery in BH, including the necessary technical standards. All citizens should have access to the same level of services provided by the public administration, unless expressly stipulated in the Constitution.</p> <p>5) The Office of the Chairman of CoM should ensure the launch of the e-government portal providing information on all services offered at the state level. The number of services fully available online, including transactions, should be systematically increased, starting with a set of pilot e-services.</p> <p>6) The Secretariat General of the CoM of BH, the Governments of the entities and the BD should implement the decision that provides for a uniform standard of interoperability of the IT systems of public institutions.</p> <p>7) The CoM of BH, the governments of the entities and the BD should harmonize the procedure for business registration to ensure that this service is provided by one-stop shops and that applicants' costs are minimized.</p> <p>8) The Secretariat General of the CoM of BH should implement a fully operational e-authentication mechanism. This is one of the chief prerequisites for the development of electronic services for citizens.</p>	<p>3) The Ministry of Justice at the state level and the relevant ministries at the level of the entities and the BD should carry out a comprehensive review of all special regulations on administrative procedures, to investigate the scope of and the justification for exemptions from the Law on General Administrative Procedure.</p> <p>4) The CoM of BH, the governments of the entities and the BD should ensure implementation of tools measuring citizen satisfaction with public services. Customer feedback should be used to improve the accessibility and quality of services.</p>
Decision-making process	<p>1) The CoM of BH should establish the legal framework, and nominate and strengthen the capacity of the institution responsible for co-ordinating the policy content of proposals within the CoG, by establishing and defining clear roles and responsibilities. The institution responsible for policy co-ordination should serve as a quality controller and neutral assessor to ensure scrutiny of all policy proposals and take methodological responsibility for developing a comprehensive policy-making system.</p> <p>2) The CoM should strengthen the central role and capacity of the DEI to guide and co-ordinate the EI agenda and institutional set-up for the transposition of the EU <i>acquis</i>, including transparent monitoring of achievements at the state level.</p> <p>3) As is the case for medium-term fiscal planning, the CoM of BH should develop a comprehensive approach to medium-term planning and monitoring in other areas as well, to allow for aligned strategic work and prioritization for the whole country.</p> <p>4) The SG should ensure that all regulation is implemented and followed in a consistent way with regard to prioritized medium-term planning of the work of the CoM on an annual basis, and to medium-term strategic and financial planning. Alignment between the various plans should be constantly ensured.</p> <p>5) Annual and medium-term planning at the state level should be enhanced through central co-ordination of proposals by the SG.</p> <p>6) A comprehensive system should be developed to monitor all annual and medium-term plans by the SG to ensure regular publicly available reports.</p>	<p>1) The CoM should ensure that sufficient assessment of the financial affordability of proposals is always carried out and takes into consideration all the potential costs, not only for the current year's budget but from a medium-term perspective as well.</p> <p>2) The CoM of BH and the governments of the RS, FBH and BD should jointly establish a countrywide approach to the medium-term planning of EI-related matters.</p> <p>6) The monitoring system at the state level should be further developed by the SG so that reports include information on achievements against set policy objectives.</p> <p>3) The CoM should provide the Parliamentary Assembly with information regarding the medium-term strategic plans and objectives of the CoM on the actual implementation of sectoral strategies and important laws and policies.</p> <p>4) The Parliamentary Assembly, together with the CoM</p>

7) The SG should ensure that all formal and substantial requirements are adhered to in the **CoM's process of preparing decisions**. If required, the SG should return items if they do not meet the criteria set for discussion by the CoM.

8) The CoM should adopt the Draft Decision of the Procedure for **Regulatory Draft Preparation, Impact Assessment and Policy Choice** and improve provisions with regard to fiscal impact assessment.

9) The SG of the CoM should take on a more active role in checking **if materials submitted to the CoM meet the criteria established by the Regulations on Consultations**. The SG should also check that the websites of ministries adhere to the Regulation.

10) The Draft Decision on the Procedure for Regulatory Drafting Preparation, Impact Assessment and Policy Choice should be **adopted and implemented step-by-step**, starting with the proposals that have significant impacts.

11) The CoM, together with the Parliamentary Assembly, should start elaboration of the **consolidated text of major laws**.

of BH should create a **single portal for publishing all the regulations adopted by state-level bodies** as well as the legislation of the entities and the BD.

Source: SIGMA (2015) Baseline Measurement Report, The Principles of Public Administration of Bosnia and Herzegovina, OECD Publishing, Paris. <http://www.sigmaweb.org/publications/Baseline-Measurement-2015-BH.pdf>.

3. Macedonia

Table 1. Selected economic indicators

REAL SECTOR, INFLATION, EMPLOYMENT, WAGES	2014	2015
GDP, in current prices, € millions	8,529	9,092
GDP, in current prices, MKD millions	525,843	560,148
GDP real growth rate, %	3.5	3.7
Population	2,065,769	2,069,172
GDP pc in €	4,129	4,394
Registered employment, in 000s, in December	501,788	519,013
Registered unemployment (administrative sources), in 000s, in December	123,661	114,979
Unemployment rate (Employment office)	19.8%	18.1%
Unemployment rate (LFS, year)	28.0%	26.1%
Net average wage in MKD	24,407	22,715
Current account balance, % of GDP	-0.8%	-1.4%
Net FDI, € millions	205	157
Net FDI, % of GDP	2.4%	1.7%
National Debt, € millions	3,262.50	3453.30
National Debt as % of GDP	38.3%	38.0%
PUBLIC DEBT TOTAL, € millions	3,921.3	4,227.2
PUBLIC DEBT as % of GDP	45.98%	46.49%

PUBLIC FINANCES		
Public consumption, MKD millions	168,062	180,632
Public consumption, % of GDP	32.0%	32.2%
Of which – gross salaries MKD millions	23,095.30	24,686.89
Gross salaries as % of GDP	4.4%	4.4%
Public revenues MKD millions	145,929	161,172
Public revenues as % of GDP	27.8%	28.8%
Balance of public finance (surplus/deficit) MKD millions	-22,133.0	-19,460.0
Deficit as % of GDP	-4.2%	-3.5%
Annual debt payment, MKD millions	10,092.3	28,421.3
Missing funds (deficit + annual debt payment) MKD millions	32,225.3	47,881.3
Missing funds as % of GDP	6.1%	8.5%
Annual debt payment, € millions	330.02	664.8

Table 2. Key recommendations: SIGMA/OECD 2015

Optimization aspects	Short-term (1–2 years)	Medium-term (3–5 years)
Budget	<p>1) Scrutinize the proposals by budget organizations in order to establish more realistic revenue and expenditure forecasts, particularly on donated funds, and thus provide a more realistic and credible picture of the available budget funding</p> <p>2) Ensure submission of strategic plans in advance of preparation of the Fiscal Strategy and include more detailed sector policy information in the Fiscal Strategy</p> <p>3) Ensure the publishing of six-monthly macroeconomic and fiscal forecasts in advance of, and independent from, the Fiscal Strategy and the draft budget bill</p> <p>4) Establish binding fiscal rules or propose legally binding fiscal rules to the Budget Law</p> <p>5) Prepare a comprehensive medium-term planning document for PFM, covering reforms in the areas of PIFC, public procurement, external audit and oversight by the Assembly</p> <p>6) Strengthen the quarterly financial reports by providing further information on local government and SOEs' financial activities</p> <p>7) Prepare and publish monthly reports that provide data on spending by first-level budget users.</p>	<p>1) Establish sector-specific spending ceilings in the Fiscal Strategy to increase transparency in resource planning and guide the preparations of the annual budget</p> <p>2) Provide additional information on relevant topics for the interpretation of the draft budget (e.g. cost and benefits of new government policies, contingent liabilities, and long-term projections of revenues and expenditures in key sectors)</p> <p>3) Develop procedures and capacities for the application of ESA methodologies for the purposes of fiscal reporting</p> <p>4) Prepare and implement a financial management training programme for the relevant public sector employees</p>
Human Resources Management	<p>1) Ensure the full implementation of the new public employment legal framework</p> <p>2) Ensure supervision of the HR capacities of all administrative bodies included in the new public service scope and strengthen them through guidelines, regular networking and training programmes</p> <p>3) Develop and implement its capacities in the management of a merit-based recruitment process within the new scope of public employment</p>	<p>1) Conduct a medium-term comprehensive assessment of the implementation of the new public service legislation and improve the legislation, institutional set-up and implementation practices accordingly</p> <p>2) Analyse the feasibility of fur</p>

	4) Ensure professional training and development of public servants , and develop all the tools required for meeting the requirements of the new legislative framework	ther advancing merit-based recruitment and termination of senior managerial positions and prepare legal amendments accordingly
Organizational Efficiency and Effectiveness	<p>1) Prepare and publish a comprehensive inventory of the public services offered to citizens and businesses, including: information on the scope of services; conditions and requirements for access to services; fees; time limits for handling requests; and service level agreements</p> <p>2) Strengthen ongoing efforts to create an interoperability framework compatible with the European Interoperability Framework (EIF) and covering the information technology (IT) systems of public administration bodies that provide services to citizens</p> <p>3) Prepare an inventory of special administrative procedures with the goal of reducing their number and the scope of application as much as possible.</p>	1) Ensure further development of the e-government portal 'uslugi.gov.mk'. Both the number of e-services offered and their level of sophistication via this portal should be increased
Decision-making process	<p>1) Strengthen the capacity of the institution responsible for co-ordinating the policy content of proposals within the CoG, by establishing and defining a clear division of roles and responsibilities between the GS and the MISA</p> <p>2) Ensure transparency of government performance by setting clear rules requiring the provision of information on the monitoring of and reporting on outcomes achieved by the government as a whole, and setting coherent requirements for reporting on policy implementation of sectoral strategies</p> <p>3) Ensure requirements and methodological guidance for developing indicative financial estimates for policies, along with concrete examples of costing</p> <p>4) Ensure transparency of the EI planning and monitoring process by publishing quarterly and yearly reports on implementation of the NPAA</p> <p>5) Assess the practice of planning against the actual workload of the government and explore opportunities to develop plans that cover the majority of the work of the government as a decision-making body</p> <p>6) Analyse the work of the government with a focus on the items discussed, and consider wider use of the delegation of power to individual ministers to reduce the workload of government sessions for decision making and the workload of CoG institutions</p> <p>7) Initiate an amendment to Article 68 of the RoP of the government to specify that not all proposals should be scrutinized to the same depth, in order to allow key scrutiny bodies to prioritize their work</p> <p>8) Ensure publishing of the government meeting agendas and minutes of sessions</p> <p>9) The Assembly should minimize the number of legal acts approved under the shortened procedure</p> <p>10) Develop internal rules for policy development and legislation that stipulate the steps, roles and responsibilities in the process</p>	<p>1) Develop a comprehensive system of co-ordination of policy content by developing the necessary guidelines, processes and procedures for development and scrutiny of policy proposals elaborated by ministries</p> <p>2) Strengthening the capacities in accordance with the pace and actual needs of the accession process</p> <p>3) Streamline medium-term planning systems by clearly aligning medium-term policy documents with the fiscal strategy</p> <p>4) Provide training on strategy development with a focus on full cost estimation and reporting on implementation</p> <p>5) Introduce a system of regular reporting on implementation of major laws and provide the Assembly with detailed information on actual implementation of the most important laws and policies within a specific timeframe after their adoption</p> <p>6) Initiate and carry out functional analysis of the internal structures of ministries, aiming to strengthen their policy development functions and to gradually transfer policy enforcement functions to existing ministerial bodies and other public bodies</p> <p>7) Ensure implementation of</p>

<p>11) Provide regular training on drafting legislation to civil servants</p> <p>12) Initiate an amendment to the RoP to add provisions obliging ministries and other state administration bodies to distribute materials connected with the transposition of EU legislation to obtain opinions from the SEA</p> <p>13) Ensure that all the provisions regarding development of legislative proposals are consistently followed (regarding the preparation of RIAs and carrying out inter-ministerial and public consultations).</p>	<p>RIA, including adopting annual plans for RIA, organizing training on the existing methodology for civil servants responsible for carrying out RIAs and promoting the SNERR (Single National Electronic Registry of Regulation) as the central platform for inter-ministerial and public consultations</p> <p>8) Ensure that regular preparation of official consolidated versions of at least all primary legislation becomes standard practice and should provide access to them from a single source.</p>
<p>Source: SIGMA (2015) Baseline Measurement Report, The Principles of Public Administration of the Former Yugoslav Republic of Macedonia, OECD Publishing, Paris, http://www.sigmaweb.org/publications/Baseline-Measurement-2015-fYRMacedonia.pdf.</p>	

4. Montenegro

Table 1. Selected economic indicators²²³

REAL SECTOR, INFLATION, EMPLOYMENT, WAGES	2014	2015
GDP, in current prices, € millions	3,457.9	3,625.0 ²²³
GDP real growth rate, % (IMF projection for 2016)	1.8	3.4
Population	621,800	622,099
GDP pc, in €	5,561	5,827
Inflation	-0.5	1.5
Industrial production growth rate	1.8	3
Employment, in 000s, in December	171.158	172.517
Registered unemployment (ZZZ), in 000s, in December	34.687	39.991
Unemployment rate (Employment Office)	15.1	18.8
Unemployment rate (LFS, year)	18	17.6
Net average wage, €	477	490
EXTERNAL ECONOMIC RELATIONS		
Trade deficit in goods, as % of GDP	40%	40%
Coverage of import with export (goods)	21%	18%
Coverage of import with export (goods and services)	78%	70%
Balance in goods and services (trade balance), € millions	-686.1	-674.4
Trade balance as % of GDP	20%	19%

²²³ http://www.monstat.org/userfiles/file/GDP/BND%202015/Saopstenje%20BND%202015_mne.pdf (30 September 2016).

Current account balance, € millions and as % of GDP	-525.8 (15,2%)	-482.8 (13.3%)
Net FDI, € millions and as % of GDP	353.9 (10,2%)	619.3 (11.3%)
PUBLIC DEBT		
Internal national debt, € millions and as % of GDP	381.2 (11.1%)	320.3 (8.9%)
External national debt, € millions and as % of GDP	1,561.7 (45.6%)	1,956.4 (54.4%)
NATIONAL DEBT, € millions and as % of GDP	1,942.9 (56.7%)	2,276.65 (63.3%)
Debt of local self-government, € millions and as % of GDP	128.8 (3.76%)	142.18 (3.95%)
PUBLIC DEBT TOTAL, € millions	2,071.7 (60.5%)	2,418.83 (67.28%)
MF deposits, € millions	49.5	57.25
NET PUBLIC DEBT € millions and as % of GDP	2,022.2 (59.04%)	2,361.58 (65.15%)
BUDGET EXECUTION (from GDDS table)		
Total budget expenditure, € millions	1,460.7	1,618.0
Total budget expenditure as % of GDP	42.2%	44.6%
Of which - gross salaries	387.34	382.18
Gross salaries as % of GDP	11.2%	10.5%
Total revenues, € millions	1,353.6	1,326.7
Public revenues as % of GDP	39.1%	36.9%
Balance of public finance (surplus/deficit), % GDP	-107.1	-291.3
as % of GDP	3.1%	8.1%
Deficit without highway costs in 2015 (as % of GDP)		€-112.3m (3.1%)
Primary balance (deficit – net increase of liabilities – interest)	-31.6	-194.4
Primary deficit as % of GDP	-0.9%	-5.4%
Annual debt payment (Repayment of Debt)	434.1	541.7
Increase/decrease of deposits	-5.3	-7.6
Financing needs (deficit + annual debt payment – increase of deposits)	546.5	825.4
Financing needs as % of GDP	15.8%	22.8%
Financing, of which:		
Foreign Loans and Borrowing	290.8	657.5
Domestic Loans and Borrowing	244.9	175.2
Revenues from Selling Assets	6.7	7.8
Donations		-15.1
Source: Statistical Office and General Data Dissemination System, GDDS 2 Annual data ²²⁴ , MF, September 2016.		

224 <http://www.gov.me/pretraga/164792/SAOPsTENJE-GDDS-tabela-sa-fiskalnim-i-podacima-o-javnom-dugu.html>.

Table 2. Key recommendations: SIGMA/OECD 2015

Optimization aspects	Short-term (1–2 years)	Medium-term (3–5 years)
Budget	<ol style="list-style-type: none"> 1) Development of a system for sectoral inputs from line ministries for the medium-term budgetary framework (MTBF), including the preparation of the necessary secondary legislation and of the other underlying rules and guidelines for sectoral (ministry-level) medium-term financial plans 2) Preparation of training programmes for budget and policy staff in the ministries and independent state authorities regarding medium-term expenditure plans within the system of strategic planning 3) Alignment of the current procedures for annual capital budgeting with the procedures to be developed for the work of the National Investment Commission 4) Preparation of a medium-term plan for public debt management 5) Ensure publishing of the explanatory documents accompanying the government's annual financial report 	<ol style="list-style-type: none"> 1) Improve performance information provided in the MTBF and other budget planning documents 2) Strengthen ex-ante reviewing of the appraisal of capital investment projects 3) Ensure plan funding for information technology (IT) development to ensure that the Treasury accounting systems can provide data on an accrual basis 4) The Supreme Audit Institutions (SAI) should find ways to adjust their annual work plan and procedures to ensure earlier delivery of their annual audit reports to the parliament
Human Resources Management	<ol style="list-style-type: none"> 1) Ensure that the HRMIS is integrated with the salary registry, and make sure all administrative bodies ensure the accuracy of their data and the full functionality of these registries 2) Continue to support and supervise the HR capacities in the state authorities and strengthen them through guidelines, regular networking and training programmes 3) Ensure monitoring of appointments and dismissals of public servants, including senior public servants and report any irregularities in the system 4) Ensure full information of public service training provided by all state authorities in order to better plan, monitor and evaluate the impact of professional training and development of public servants 5) Ensure monitoring of the use of integrity plans by the state authorities through field missions and provide a comprehensive report. 	<ol style="list-style-type: none"> 1) Ensure the monitoring, evaluation and reporting on the state of affairs in the public service 2) Strengthen the level of information management and analysis of public service on the basis of a fully functioning HRMIS 3) Development of a competency framework for senior public servants
Organizational Efficiency and Effectiveness	<ol style="list-style-type: none"> 1) Improve the legal framework to establish clear horizontal criteria for the establishment of accountability schemes for public agencies 2) Increase the capacity of the Agency for Personal Data Protection and Access to Information in order to ensure monitoring of the implementation of the Law on Free Access to Public Information 3) Increase the capacities of the Administrative Court (by employing new judges or providing the support staff necessary to boost its inquiry capacity) 4) Continue with implementation of the recommendations resulting from the regulatory guillotine exercise 5) Ensure that special administrative procedures are reviewed with a view to reducing their number 	<ol style="list-style-type: none"> 1) Complete the analysis of existing agencies and other bodies performing public duties in order to identify inefficiencies and potential benefits from merging, as well as adjusting accountability schemes to a single model established in legislation 2) Review the existing regulations on public liability to ensure that they: are clear and easily accessible; define a broad scope of public liability; and do not jeopardize the effective exercise of the right of action for compensation. 3) Introduce mechanisms to monitor court cases that result in the liability of the state

	<p>6) Ensure interoperability between the registries, under deadlines set in the Law on Electronic Governance</p>	<p>4) Define clear horizontal responsibilities for coordinating and developing the quality of public services across the public administration;</p> <p>5) Promote the use of customer satisfaction surveys in state administration institutions and encourage the use of quality techniques, especially in the areas that will provide the greatest added value for customers</p> <p>6) Further increase the number of e-services available through the e-government portal, and enhance their level of sophistication so that transactions are also possible</p>
Decision-making process	<p>1) The role of the GS in steering the process of policy development should be enhanced, as should its role in reviewing whether policy content aligns with government priorities, strategic documents and existing policies</p> <p>2) Development of a formalized, regular co-ordination mechanism between the CoG institutions at an administrative level</p> <p>3) Clarification of the roles and full harmonization of practices regarding transposition of the <i>acquis</i></p> <p>4) Strengthening of capacities and competences with respect to transposition of the <i>acquis</i></p> <p>5) Establishment of a unified methodology for developing sector strategies that includes costing of activities for the implementation of strategies</p> <p>6) Ensuring of better alignment of the medium-term financial plan and other central planning documents</p> <p>7) Ensuring that the costs of activities are included in all planning documents</p> <p>8) Ensuring that proposals align with the priorities and plans of the government, as well as with other policies</p> <p>9) Increase of the capacity for reviewing RIAs and assessment of the full quality of the RIAs and changes to the existing rules regarding RIA preparation to ensure that i) initial RIA documents are prepared before public consultation; and ii) updated versions are prepared before government decisions.</p> <p>10) Development and implementation of dedicated training and capacity-building programmes for key ministry staff regarding policy analysis and work on drafting legislation</p> <p>11) Ensuring that consultation practices are regularly carried out and that all relevant stakeholders are involved in the consultation process</p> <p>12) Development of a programme to improve EI-related capacities in line ministries.</p>	<p>1) Improve medium-term strategic planning</p> <p>2) Ensure that outcome indicators are included in the GAWP (Government Annual Work Plan) and budget and start to develop reports that cover progress toward these indicators and set policy objectives</p> <p>3) Ensure more oversight over the implementation of laws by establishing a system of reporting on major legislation</p> <p>4) Develop the means for high-level civil servants to resolve conflicts before the political level is involved.</p> <p>5) Ensure evaluation of the RIA system and assess how the system should operate in future (e.g. for which proposals a RIA should be made, how the budget impact should be covered, how it is used to assess all of the impacts on those being regulated and how the RIA relates to the overall explanation provided for a draft proposal)</p>
<p>Sources: SIGMA (2015) Baseline Measurement Report, The Principles of Public Administration Montenegro, OECD Publishing, Paris, http://www.sigmaweb.org/publications/Baseline_Measurement_2015_Montenegro.pdf.</p>		

5. Serbia

Table 1. Selected economic indicators

REAL SECTOR, INFLATION, EMPLOYMENT, WAGES	2014	2015
GDP, in current prices, € millions	33,318.6	32,907.7
GDP, in current prices, RSD millions	3,908,500	3,973,000
GDP real growth rate, % (IMF projection for 2016)	-1.8	0.7
Population	7,131,787	7,095,383
GDP pc, in €	4,672	4,638
Employment, in 000s, in December	1,845,494	1,883,825
Registered unemployment (ZZZ), in 000s, in December	767,435	743,518
Unemployment rate (Employment Office)	29.4%	28.3%
Unemployment rate (LFS, year)	19.2%	17.7%
Net average wage in RSD	44,350	44,432
Current account balance, % of GDP	-6.0%	-4.8%
Net FDI, € millions	1,236.3	1,803.8
Net FDI, % of GDP	3.7	5.5
PUBLIC DEBT TOTAL, € millions	23,456.3	25,009.9
PUBLIC DEBT as % of GDP	70.40%	76.00%
PUBLIC FINANCES		
Public consumption, RSD millions	1,878,878.5	1,843,965.5
Public consumption, % of GDP	48.1%	46.4%
Of which – gross salaries, RSDmillions	457,714.49	419,155.73
Gross salaries as % of GDP	11.7%	10.6%
Public revenues, RSD millions	1,620,752.1	1,694,831.1
Public revenues as % of GDP	41.5%	42.7%
Balance of public finance (surplus/deficit), RSD millions	-258,126.4	-149,134.3
Deficit as % of GDP	-6.6%	-3.8%
Primary deficit as % of GDP	-3.80%	-0.50%
Annual debt payment, RSD	401,334.8	518,699.0
Missing funds (deficit + annual debt payment), RSD	659,461.3	667,833.3
Missing funds as % of GDP	16.9%	16.8%

Source: Ministry of Finance, 2016.

Table 2. Key recommendations: SIGMA/OECD 2015

Optimization aspects	Short-term (1–2 years)	Medium-term (3–5 years)
Budget	<p>1) Further implementation of multi-annual programme budgeting across all levels of government (customization of the software for the management of public finances in order to ensure the appropriate interface with the module for Public Policy Planning)</p> <p>2) Improvement of capital project planning (establishment of a single platform for Capital Project Planning and methodology for public investment analysis and planning)</p> <p>3) Improvement of budget planning (develop methodologies for medium-term baseline estimates and costing of new policies set up the legislative framework and provide training; improve coordination and alignment of budget planning and execution of budget beneficiaries through compliance and alignment with the Methodology for Medium-Term Institutional Planning).</p> <p>4) Improvement of the operational capacities for public investment coordination and budget planning</p> <p>5) Enhancement of budget transparency (publish a monthly profile of planned expenditure and revenue at the beginning of the year, publish a time series of the key components of expenditure and revenue)</p>	<p>1) Improve the coverage of the national budget (gradual and systematic inclusion of own sources and budget beneficiaries into the national budget; gradual and systematic inclusion of donor assistance in the national budget and budget execution documentation)</p> <p>2) Improve coordination and alignment of planning and programming of external assistance with the Budget Calendar</p>
Human Resources Management	<p>1) Establish the Registry of Employees, elected, nominated, appointed and people engaged in public funds beneficiaries</p> <p>2) Develop systems of competences for civil servants</p> <p>3) Support and monitor the implementation of merit-based recruitment (especially for senior civil servants)</p> <p>3) Ensure adequate legal and institutional framework, as well as funding for professional development of public servants</p>	<p>1) Increase the Administrative Inspection's capacity to monitor implementation of the CSL</p> <p>2) Conduct a comprehensive assessment of the implementation of the civil service reform to identify the real impact of the legal framework and the HRM practices, and to improve accordingly the legislation, institutional set-up and implementation practices</p> <p>3) Improve capacities for managing integrity in the public service and develop models and methodologies for elaborating integrity plans.</p>
Organizational Efficiency and Effectiveness	<p>1) Ensure effective monitoring of the right to public information</p> <p>2) Increase the accessibility of free legal aid (legal and financial)</p> <p>3) Ensure that the government duly cooperates with the Ombudsman</p> <p>4) Compile an inventory of special administrative regulations and analyse these, with the goal of limiting their number and scope</p> <p>5) Further increase the number of e-services that offer transaction possibilities for citizens and businesses</p> <p>6) Introduce mechanisms to measure citizens' satisfaction with governmental services in all state institutions (regular surveys etc.)</p>	<p>1) Review the status and functioning of agencies to assess the need for their existence as separate entities</p> <p>2) Analyse independent bodies within ministries in order to ensure clear lines of accountability</p> <p>3) Conducting a feasibility study on the introduction of a second level for administrative courts</p> <p>4) Review the existing regulations on public liability to ensure that they are: a) clear and easily accessible; b) define a broad scope of public liability; and c) do not jeopardize the effective exercising of the right of action for compensation.</p> <p>5) Promote the implementation of quality assurance tools in administrative bodies tasked with delivery of key public services to citizens</p>

Decision-making process	<p>1) Strengthen the official position, functions and capacities of the Republic Public Policy Secretariat and the General Secretariat of the Government</p> <p>2) A multi-annual AP on the Government Programme should be used to reinforce medium-term planning</p> <p>3) Annual planning of the government's work should be streamlined to allow for prioritization and screening of bottom-up proposals from administrative bodies, on the basis of priorities and resources (capacities and financial limits) of the administration</p> <p>4) The costing of EI-related activities on action level should be introduced and included in the revision of the NPAA</p> <p>5) The monitoring of implementation at the government level should be put on a new basis, allowing for close tracking of implementation of the government's initiatives and the Government Annual Working Plan</p>	<p>1) The structures for coordination of EI-related negotiations should be activated in alignment with the pace of the negotiation process</p> <p>2) The number of sectoral strategies should be reduced by establishing a well-structured system of strategies</p> <p>3) Full alignment between medium-term plans and medium-term financial limits should be developed through a fiscal plan which allows for allocations at both the ministerial and programme level</p> <p>3) Monitoring of central planning documents should also include information about the achievements against set policy objectives</p>
<p>Sources: SIGMA (2015) Baseline Measurement Report, The Principles of Public Administration Serbia, OECD Publishing, Paris, http://www.sigmaweb.org/publications/Baseline-Measurement-2015-Serbia.pdf; The Programme of Public Finance Management Reform 2016 -2020, http://www.mfin.gov.rs/pages/article.php?id=10652.</p>		

6. Kosovo

Table 1. Selected economic indicators

REAL SECTOR, INFLATION, EMPLOYMENT, WAGES	2014	2015
GDP, in current prices, € millions	5,675	5,772
GDP real growth rate, %	0.9	3.8
Population (est. 1 January)	1,820,631.0	1,827,176
GDP pc, in €	3,117	3,159
Employment, in 000s	325,700	355,300 ²²⁵
Registered unemployment (ZZZ), in 000s	274,487	117,048
Unemployment rate (Employment Office)	45.7%	24.8% ²²⁶
Unemployment rate (LFS, year)	35.3%	33.0%
Net average wage in € (data only for State Administration)	429	466
Current account balance, % of GDP	-7.8%	-9.1%
Net FDI, € millions	151.2	337.9
Net FDI, % of GDP	3.7	5.5
PUBLIC DEBT TOTAL, € millions	582.87	749.0
PUBLIC DEBT as % of GDP	10.3%	13.0%

225 ERP 2015-2017 for Kosovo, p.58.

226 The total number of registered jobseekers by public employment services (PES) in Kosovo until the end of 2014 was 274,487 people, while 83,323 people were registered as unemployed in 2015 - registered unemployed regularly appeared every 3 months in 115 - 117,048; Changes of the methodology; (data from Statistical Yearbook for 2016, Table 95, p.86).

PUBLIC FINANCES		
Public consumption, € millions	1,512.1	1,612.3
Public consumption, % of GDP	26.6%	27.9%
Out of which - gross salaries € millions	489.52	504.13
Gross salaries as % of GDP	8.6%	8.7%
Public revenues, € millions	1,349.5	1,706.1
Public revenues as % of GDP	23.8%	29.6%
Balance of public finance (surplus/deficit), € millions	-162.6	93.8
Deficit as % of GDP	-2.9%	1.6%
Annual debt payment, € millions	34.9	44.9
Missing funds (deficit + annual debt payment), € millions	197.5	-48.9
Missing funds as % of GDP	3.5%	-0.8%

Sources: Statistical Office database, September 2016 and Kosovo Government Accounts 2008-2015; <http://ask.rks-gov.net/en/na/category/124-ga>.

Table 2. Key recommendations: SIGMA/OECD 2015

Optimization aspects	Short-term (1–2 years)	Medium-term (3–5 years)
Budget	<ol style="list-style-type: none"> 1) Reintroduce the inclusion of medium-term budget estimates for key government policy areas in the MTEF 2) Prepare proposals for the government that would strengthen the multiannual budget ceilings in the MTEF by establishing clear conditions for deviations within the same year and the precise procedure for explaining deviations from the ceilings 3) Organize a thorough review of current budgetary appropriations under the capital budget and, starting from the following annual budget, move any expenditure that is essentially current expenditure to the respective budget lines 4) Prepare a comprehensive medium-term planning document for PFM 5) Develop a detailed plan for integrating its electronic management information systems for budget management 6) Establish an operational plan to reduce the stock of unpaid liabilities and to strengthen internal controls to avoid the increase of arrears in the future 7) Prepare and publish monthly reports that provide data on spending by first-level budget organizations. 	<ol style="list-style-type: none"> 1) Simplify the process of annual budget planning by reducing the number of budget circulars from three to one 2) Propose amendments to the LPFMA (Law on PFM and Accountability) to limit the authority of the government to make amendments to the annual budget during the calendar year
Human Resources Management	<ol style="list-style-type: none"> 1) Put into operation the HRMIS and, in co-ordination with other relevant ministries, create interoperability of the HRMIS with public service payroll database and the pension database 2) Introduce measures to ensure enforcement of the decisions of the Independent Oversight Board 3) Complete the job classification process and strengthen efforts on merit-based recruitment, particularly of senior public servants; 4) Ensure consistency and coherence of the remuneration system of the public service 	<ol style="list-style-type: none"> 1) Conduct a comprehensive medium-term review of the implementation of public service legislation to identify the real impact of the legal framework and HRM practices; this would support improving the legislation accordingly, the institutional set-up and implementation practices. 2) Continue strengthening capacities to ensure the ongoing professionalization of the public service

Organizational Efficiency and Effectiveness	<ol style="list-style-type: none"> 1) Conduct a comprehensive review of the institutional structures of the state administration in order to implement an effective system of accountability and introduce necessary changes in the legal framework 2) Legislation on access to public information should be amended to grant standard-setting, supervisory and sanction-imposing powers to an independent monitoring institution 3) Develop mechanisms to increase the level of recommendations implemented 4) Implement the mechanism for red-tape monitoring and reduction as envisaged by the Better Regulation Strategy 5) Carry out an inventory of the public services offered by the state administration, including information on the scope of services and the cost of their provision 	<ol style="list-style-type: none"> 1) Improve regulations regarding public liability and introduce mechanisms to monitor court cases 2) Ensure monitoring of citizen satisfaction with public services and for acquiring feedback from external stakeholders on improvements required in public service delivery 3) Implement the interoperability framework covering priority services in line with the EIF standards 4) Develop the concept of a one-stop shop, offering services to citizens, not only to businesses. The e-government portal should also be developed as an electronic one-stop shop 5) Improve the accessibility of public services (including through e-services) to people with disabilities
Decision-making process	<ol style="list-style-type: none"> 1) Ensure co-operation among key actors regarding policy analysis 2) Strengthen the function of scrutiny of policy content by better defining responsibilities among key departments and increasing human capacities; 3) Ensure consolidation of the EI planning and monitoring mechanisms, adjusting the system to the needs of the SAA implementation period 4) Ensure that the government's priorities are reflected through concrete policy measures in these plans in the preparation of the MTEF, the GAWP and the EI plan 5) Strengthen its competence for analysing government policy priority items submitted to the government 6) Improve monitoring of the presence of ministers in the Assembly hearings, and promote participation through better forward-planning and information sharing 7) Improve inter-ministerial and public consultation by training and a capacity-building programme 8) Draft stricter procedures on submitting items to government sessions to limit the use of "extraordinary cases" 9) Ensure continuous training on the drafting of laws and transposition of EU laws to civil servants 10) Include the annual plan for transposition in priority areas in the new EI plan and integrate it into the annual legislative programme of the government. 	<ol style="list-style-type: none"> 1) Strengthen the Strategic Planning Office (SPO) – primarily by increasing the number of available positions and provide relevant training 2) Strengthen the Government Co-ordination Secretariat (GCS) and Legal Office to guide ministries on impact assessment and conducting quality control 3) Develop the capacity to co-ordinate acquis transposition 4) Develop a co-ordination system of EU assistance to enable inclusive, government-wide priority setting and to strengthen monitoring of the implementation of assistance projects 5) Ensure harmonization (and, if possible, merge) the monitoring of implementation of the new Government Programme and EI-related strategic plans 6) Introduce performance indicators when reporting on key strategic documents of the government (EI and budget reporting); 7) Launch a government reporting system on the implementation of sectoral strategies and create a mechanism for using information to also report on the GAWP and MTEF policy outcomes 8) Launch an extensive capacity-building programme for ministries, supported by quality control and more active guidance to ensure that policy and legislative proposals include extensive comparisons of policy options, and assessments of all their impacts (costs and benefits), before regulations are drafted 9) Consolidated versions of legal acts should be published in the Official Gazette to reduce the administrative burden

Source: SIGMA (2015) Baseline Measurement Report, the Principles of Public Administration Kosovo, OECD Publishing, Paris.
http://www.sigmaweb.org/publications/Baseline_Measurement_2015_Kosovo.pdf.

Annex 2: SWOT analysis of the Optimization of Public Administration in the WB

WB Countries: Regional SWOT analysis	
<p>Strengths:</p> <ul style="list-style-type: none"> - Medium-term strategic frameworks of PAR are developed through strategic documents and action plans (or are in the final phase of preparation of revised strategic documents) - The strategic documents for PAR are in line with European administrative law principles - Institutional frameworks for PAR are established - Co-ordination mechanisms for PAR are established - Medium-term strategic frameworks for specific areas of optimization of public administrations (e.g. public finance management, professional development of civil servants, e-government) are developed through strategic documents and action plans - The legal frameworks and institutional guidelines regarding the budget system are in place - The budget processes are established and generally include medium-term budgetary frameworks (MBTF) - Generally, the annual budget timetable is well-defined - The systems of in-year fiscal management have been operational - The Treasury systems provide controls and the MoFs have been able to limit public spending - The basic conditions for budget transparency are in place - The policies, legal frameworks and institutional guidelines regarding HRM are established - The status of civil servants and other employees in public administration institutions are defined by the laws on civil servants and other relevant laws - The professionalization of public servants by merit-based recruitment and promotion is protected under the laws on civil servants and the relevant by-laws - The criteria and process for dismissals and disciplinary procedures, including the possibility to appeal, are enshrined in laws - The HR information systems and the central civil service registries are in place - Salaries and remuneration systems are established by laws and relevant by-laws - The general rules and protocols regarding professional development are in place - Performance appraisals are provided for by the law and by-laws - The ethical legal frameworks are established with a number of legislative measures that prevent corruption and encourage integrity in public administration - The legal frameworks for organization of public administration are established - The organization and responsibilities of ministries and their subordinate bodies are defined - The legal frameworks regarding access to public information is in place, including the obligation to actively disseminate public information - Mechanisms for internal and external oversight with regard to state administration bodies are established - The legal frameworks for public liability are in place - A policy on improving public services is included in strategic documents, and governments are committed to a user-oriented administration. Activities aimed at reducing administrative burdens are oriented mainly towards businesses. - The legislation on general administrative procedure generally meets the standards of good administration - There are numerous e-services, and the acceptance rate of citizens is increasing 	<p>Weaknesses:</p> <ul style="list-style-type: none"> - Delays in the adoption of medium-term PAR strategies and action plans and a lack of consistency in the processes - A lack of content consistency in PAR strategies - A lack of harmonized timeframes of PAR strategies/action plans on the one hand, and specific strategies for areas related to the optimization of public administration on the other - A lack of consistency in sectoral planning and medium-term financial planning and a lack of relevant methodology for this process - A lack of an efficient mechanism for monitoring the budgetary impacts - Budget transparency is not ensured as comprehensive, timely and reliable - The annual budget proposals do not contain all the necessary information - The planning of IPA funds is not uniform at the regional level regarding co-ordination with the MTEF preparations - Professional HRM is lacking due to politicization and limited capacity - Many employees in public administration exercise key state functions without the status of civil servant - A lack of a methodology for determining the required number of civil servants and other employees in public administration - In practice the selection and appointment procedures for senior managers do not ensure merit-based recruitment - A lack of reliable system for transparent selection based solely on professional criteria (competencies) - The HRM information systems and the central civil service registries are not fully developed - A lack of tools for the evaluation of jobs in order to have a fairer salary and remuneration system - A lack of strategic planning of professional development and training in public administrative authorities - A lack of criteria for the assessment of performance appraisal - The perception of corruption is still high - There are a wide range of public bodies without clear guidance on which legal form is suitable for which task (e.g. public agencies) - A lack of systematic analysis regarding the organization and functioning of public administration authorities - The quality and cost effectiveness of services is not subject to a regular review, and public institutions do not actively seek citizens' feedback - The independence of the institutions of the Ombudsman is limited in some areas (e.g. appointments, financial management) and the implementation of recommendations is at a low level - Practical implementation of the right to access information is complicated by a number of problems, including an excessively broad scope of exceptions and insufficient independent monitoring - New legislation on general administrative procedures is not yet developed in all the WB countries - The number of e-services for citizens through the e-government portals is limited, as is the number of services that offer transaction possibilities - A lack of a system of measuring the level of customer satisfaction with existing public services - A medium-term planning system is not ensured in all the WB countries - Medium-term planning (where it is established) lacks a com-

<ul style="list-style-type: none"> - The legal basis and institutional structures, including those for European integration, are largely in place to ensure consistent policy-making systems - The legal basis and institutional structures for effective implementation of consultation with the public and for cooperation with the NGO sector are established - Modern legislative techniques (Rules of Legislative Drafting, Regulatory Impact Assessment (RIA), Deregulation and Simplification of Regulations) are introduced - National legislation is available electronically through the official gazettes. 	<ul style="list-style-type: none"> - Comprehensive approach and clear alignment of medium-term policy documents with fiscal strategy - Co-ordination of medium-term planning is not regulated, including for decisions around the adoption of sectoral strategies - Regular reporting on implementation of developed strategies is not ensured and transparency is at a low level - Activities in the EI plan are not clearly prioritized and the information on budgetary requirements is not sufficient to guarantee that they are viable - Information on the agenda of formal government sessions is not publicly available on time - Public consultation is not developed to a satisfactory level in all the WB countries (e.g. not implemented on time, timelines, exceptions) - RIA is not developed to a satisfactory level (e.g. exceptions, low quality of RIA analysis) - A lack of formal requirements and a mechanism for planning the implementation of regulations, detecting difficulties in the implementation of regulations and systematic practice for analysing implementation of major legislation
<p>Opportunities:</p> <ul style="list-style-type: none"> - Ensure medium term strategic frameworks of public administration reform (PAR) through strategic documents and action plans in line with the European administrative law principles and requirements of modernization and optimization of public administration; - Further development/development of the medium-term budgetary frameworks (e.g. analysis and development of an improved legal framework and procedures, developing a detailed work plan for the implementation of the budget with AP for measures, preparing of relevant instructions); - Introduction of programme budget in line with best EU practice (development a detailed programme structure of the budget users, define the objectives of the programme and create performance indicators or other methods measuring the results of meeting programme objectives); - Ensure budget transparency; - Strengthening of professional capacities for programme budgeting; - Improvement of resources for better management of EU funds; - Development of standards and procedures for selection of candidates for senior management positions in public administration; - Increase competition and reduce discretion when making decision on selection of candidates through greater transparency and smaller number of candidates on the list for final selection; - Further development of HRM through establishment of effective systems for monitoring and limitation of number of employees and measuring the quality of their work; - Further development of professional development and training in public administrative authorities (strategic planning, effective implementation, monitoring and reporting); - Development of criteria for the assessment of performance appraisal; - Conducting analysis regarding functional and financial effects of public administration institutions; - Improve control over the legality and expedience of work of all authorities; - Improve the efficiency, effectiveness and citizens satisfaction with the quality of delivered administrative services; - Ensure interoperability of registers and accessibility of data from registers to users; - Further development of eServices with high degree of user experience (for education, enterprises, citizens); - Establish a comprehensive and rational system of mid-term policy planning and improve the quality and implementation rate of sector strategies; - Increase transparency of public policies management system; - Increase use of analytical tools for drafting of legislation and better quality of public consultation, RIA, ex-post analysis); - Strengthening capacities for all areas of optimization of public administration. 	<p>Threats:</p> <ul style="list-style-type: none"> - General low level of trust in the public administration among citizens and other subjects - Political instability, frequent changing of governments and ministers - Influence of politics on the work of public administrations - A limited state budget for the modernization and optimization of public administrations - A lack of competent civil servants required for further development - A lack of consensus with social partners regarding changes - A lack of coordination between institutions in practice - Slow adoption of regulation changes in the relevant areas of optimization of public administrations - Slow implementation of changes in the administration systems - A lack of efficiency in the monitoring system in the implementation of public policies

Albania: SWOT analysis
(Sources: EC Progress Report, SIGMA Baseline Measurement Report, PAR Strategy/AP, PFM Strategy)

Strengths:

- The strategic framework regarding PAR is established (Cross-Cutting PAR Strategy 2015–2020, Albania Public Finance Management Strategy 2014–2020, Cross-Cutting Strategy “Digital Agenda of Albania 2015–2020”, National Cross-Cutting Strategy for Decentralization and Local Governance (NCSDLG) 2014–2020)
- A comprehensive strategic framework for PAR has clearly identified the responsible institutions and defines the funding needs associated with each action
- There has been recently established a PAR implementation and monitoring system based on the use of performance indicators and targets
- PAR has a formally established co-ordination structure at the political and administrative levels with clearly defined functions
- The budget process is well established and includes a Medium-Term Budgetary Framework (MTBF)
- The budget is formulated in line with the Law on the Management of Budget Systems (MBS), which defines the scope of the budget, the roles and responsibilities of the key institutions and the timetable
- The MoF centrally controls the disbursement of funds
- Cash liquidity is ensured in general
- A debt management strategy exists
- Some information regarding the budget is published during the year
- Demarcation between political appointees, public servants and support staff is clearly defined
- The legal and institutional framework for a professional and coherent public service is established
- Primary and secondary legislation represent good steps in the use of merit for recruitment and the practice of first pool-recruitment processes supports the idea that merit-based employment has been implemented
- The Human Resource Management Information System (HRMIS) is established and links to the registry of the Treasury (salaries) and Social Security are expected
- The recruitment and selection process is based on merit, in accordance with the legislation
- The legal framework, policies and institutional guidelines regarding salaries are in place
- The professional development of public servants is ensured
- The principles of performance appraisal are established
- Institutions, legislation and tools to promote integrity and prevent corruption in the public service are in place
- Many anti-corruption measures are in place and disciplinary procedures are adequately regulated
- The legal and institutional framework regarding the organization and functioning of the Public Administration is established
- The new legislative framework on access to public information is coherent and complete
- Mechanisms for internal and external oversight with regard to state administration bodies are in place
- The level of acceptance of the Ombudsman's recommendations is high
- The right to internal administrative appeal and judicial review of administrative acts is guaranteed in the legislation
- The legislative framework for public liability is in place
- Progress has been achieved on ensuring interoperability of the electronic systems maintained by state administration bodies
- The legislative framework acknowledges general principles of good administrative behaviour. The new Code of Administrative Procedures is adopted.
- Some services are available to businesses through one-stop-shops

Weaknesses:

- PAR objectives are stated in the key central-planning documents but this is not done coherently
- PFM is not covered in the PAR Strategy
- The MTBP does not provide for any planned allocations to tie into PAR objectives
- Political attention is not focused on all areas of PAR
- The medium-term targets in the MTBP are indicative rather than binding
- A lack of clearly defined monitoring and enforcement procedures
- The spending programmes are not consistent with the MTBF
- The annual budget proposal does not have information on baseline expenditure, new policies, final outturn data for previous years or multiannual commitments on capital spending
- The transparency of the budget is at a low level
- There are deficiencies regarding strategic workforce planning and the management and monitoring of HRM practices in the public service
- There are areas of concern regarding the declaration of civil service status and the use of termination, downgrading and other instruments to dismiss public servants
- A lack of tools for the evaluation of the jobs in order to have a fairer salary system
- A lack of specific requirements for training
- The level of experience with performance appraisals is still limited under the new system, and the percentage of good/very good appraisals results is extremely high
- The perception of corruption is still very high
- The typology of state administration bodies is not entirely clear and the number of agencies reporting to the parliament is too high
- Exemptions to access to public information are formulated vaguely
- The efficiency of administrative courts is at a low level
- The current institutional framework for implementation of policy on service delivery does not fully ensure effective coordination
- Citizens' satisfaction with delivery of public services is moderate and has not been enhanced by the policies and mechanisms promoting improvements in quality in public institutions
- A lack of transparency regarding the publishing of strategic documents
- A lack of a formally adopted and publicly available government work plan or legislative plan
- Co-ordination of EI-related negotiations is not established as a task
- A lack of full coherence between medium-term policy planning and the MTBP
- The financial estimation for sectoral strategies is incomplete
- The monitoring reports produced include only the achievement of outputs, but not the outcomes
- The transparency of reporting is at a low level
- The agendas of government sessions are not made public
- A lack of internal rules for steering the policy development and legislative drafting process within ministries
- Consultation with external stakeholders is sporadic and consultation practices differ significantly
- The framework of the RIA requires only a general impact on economic growth
- The evidence supporting draft proposals is incomplete
- Monitoring and analysis of the implementation of policies are not carried out on a regular basis

<ul style="list-style-type: none"> - The basic legislative and institutional framework for policy making, including the EI process, is in place - The EI co-ordination functions are established, the necessary legal framework is developed and the MEI has the authority to carry out its assigned functions - The legislative framework sets out the requirements for harmonizing strategic initiatives under the development of a single strategic document (the NSDI) and also requires annual planning of the government's legislative activities - The medium-term planning system for EI is established - The process of developing government decisions is well advanced with adequate powers provided for checking the quality of drafts from a procedural, as well as legal, perspective - The relationship between the government and parliament is regulated and procedures are adhered to - The overall system for policy development is supported by appropriate rules - The procedural framework and the institutional set-up for EI are well-defined - The legislative framework for public consultations is established - Inter-ministerial consultation procedures on policy and legislative proposals are well developed - The rules for drafting legislation are clear and adhered to - All primary and secondary legislation is available centrally 	
<p>Opportunities:</p> <ul style="list-style-type: none"> - Strengthen the credibility of the medium-term budget programme and improve the coordination of public investment planning and management - Ensure comprehensive control of medium-term commitments within the limits set by the government and parliament through the budget and related laws - Improve budget transparency - Improve procedures and formats for in-year budget implementation reporting, formats for a comprehensive government yearly budget execution report including substantive as well as financial information and access to data on the government's finances and operations - Simplify and format the steps and processes related to human resources in public administration through the use of templates or standard forms - Develop indicators to monitor civil service reform and ensuring regular publication - Setting of the Human Resource Management Information System into full operation - Develop the conditions and procedures for implementing the transparency and objectivity of career advancement in the civil service - Strengthen the structures of public administration in order to improve service delivery to the public - Reduce corruption opportunities and strengthen ethics regarding delivering public services - Simplify the procedures for the provision of services by facilitating communication with the public and avoiding corruption - Develop an ICT infrastructure capable of supporting the daily activities of public administration and increase efficiency by reducing the time to access, process and transmit information while improving the flow of information - Enhance control over the activities of public administration, guaranteeing the rights of citizens and access to information - Improve planning and coordination policies to draft government strategic documents, which turn priorities into concrete action - Ensure a transparent and all-inclusive system of drafting laws, which is based on the policies and which ensures alignment with the acquis - Establish an effective monitoring and evaluation system of the strategies, programmes and legal framework in force, based on the following: 1) collection of data through a neutral and transparent process for the drafting and implementation of strategies, programmes and legislation; and 2) drafting of analysis to evaluate the effects generated by the implementation. - Strengthen capacities for all areas of the optimization of public administration 	<p>Threats:</p> <ul style="list-style-type: none"> - General low level of trust in public administration among citizens and other subjects - Political instability, frequent changing of governments and ministers - Influence of politics on the work of public administrations - A limited budget for the modernization and optimization of public administrations - A lack of competent civil servants required for further development - A lack of consensus with social partners regarding changes - A lack of coordination between institutions in practice - Slow adoption of regulation changes in the relevant areas of the optimization of public administrations - Slow implementation of changes in the administration systems - A lack of efficiency in the monitoring system in the implementation of public policies

Bosnia and Herzegovina: SWOT analysis
(Sources: EC Progress Report, SiGMA Baseline Measurement Report)

Strengths:

- PAR as a priority is expressed in different annual and/or medium-term planning documents approved by different decision-making bodies in BH
- The established co-ordination structure, which addressed the complexity of the decision-making structure in BiH, will continue to operate until the new strategic framework for PAR is created
- A separate PAR reporting and monitoring system that produces regular six-monthly and annual reports is established and reports are publicly available
- Formal PAR co-ordination structures at both the political and administrative levels to steer and manage the reform design and implementation had been set up under the complex decision-making structure of the country and are regularly applied at the administrative level
- A budget management information system is in use throughout the different levels of the public administration
- The GFFBP covers the three-year period ahead and summarizes the proposed fiscal policies for all structures in BH
- Preparation of the annual budget is set down in law
- Single Treasury accounts are established and the relevant bodies each carry out a cash management function
- There is active management of the debt of BiH, with the overarching objective being to avoid defaulting on it
- Budget execution is monitored
- The legal and institutional framework for HRM systems is established in all structures of BH
- The principle of merit-based recruitment and promotion is enshrined in laws
- Internal recruitment and transfers are preferred to external recruitment, as clearly stated in the legislation
- The criteria for dismissals and disciplinary procedures, including the possibility to appeal, are also enshrined in law
- The HRM information system and the central civil service registries are in place
- The salary system is based on job classifications
- The remuneration system is based on the job classifications of the civil service
- The right and duty to undergo training is reflected in the legislation
- Performance appraisals are regulated by law
- Integrity in public service is relatively well addressed through the adoption of anti-corruption policies and action plans, codes of conduct for civil servants, rules on incompatibility of office and the establishment of the Anti-Corruption Agency
- Legal frameworks for organization of public administration are established
- The right to access public information is regulated at all levels. The laws are mutually consistent and ensure a wide scope of access.
- The legislative framework for the Institution of the Ombudsman is formulated in line with international standards and covers the whole country
- The administrative justice system is decentralized and diverse in terms of efficiency across BiH
- The current legal framework provides for simplification of the administrative procedures already in place
- The legislation on general administrative procedure for all structures of BH meets the standards of good administration
- The RS has a functioning e-government portal
- At the state level, an e-VAT system has been introduced
- At the state level, the basic legislative and institutional framework for a functioning CoG, including the EI process, is in place
- The EI co-ordination structure is in place for the whole country
- The legal framework establishes the requirements for the preparation of the CoM meetings and clearly sets out the responsibilities for ensuring conformity with the rules and requirements
- Legal scrutiny is ensured
- Information on the agenda of formal government sessions is publicly accessible

Weaknesses:

- The strategic PAR framework expired and no new strategic framework has been established yet
- The PAR reporting and monitoring system performance indicators are mainly process- and output-level ones, so that reporting is realized based on the achievement of activities and objectives, not the actual impacts achieved
- The GFFBP is not a comprehensive document that consolidates information from the entities
- The GFFBP and the MTBFs do not link the strategic plans for policy development with budget projections
- A lack of fiscal rules or an independent fiscal council (monitoring agency) at the state, entity or BD level
- Deadlines for budget preparation have been missed
- The information given to the parliaments as the background to their deliberations on the budgets is not extensive
- The time available to the parliaments for considering the draft budgets is short and is not in line with best practice
- The non-involvement of the parliaments in the entities and the Assembly in the BD in approving the spending of the extra-budgetary funds
- A lack of budget transparency
- A lack of analysis of debt sustainability
- Budget execution is monitored on a quarterly, not a monthly basis
- The annual reports contain only some of the information that an annual report should contain;
- A lack of a common framework for HRM development
- Recruitment to senior management positions continues to be influenced by political parties and ethnic considerations
- Separation between politics and the public service is not properly reflected in legislation
- HRM is fragmented and inefficient
- The HRM information system and the central civil service registries are not being used to their full potential, either because of legal obstacles to personal data protection or because they do not contain complete information
- Fairness and coherence across the public service of BiH is not ensured due to different salary regulations in the state institutions, in the entities and in the BD
- The remuneration system is not transparent and does not ensure equal pay for equal work because different salary regulations are in force
- A lack of resources for professional development
- Practical application of performance appraisals remains weak – grade inflation indicates that it is carried out only as an exercise on paper
- A lack of legal requirements for public-sector employees to make information on their personal assets and income public
- No whistle-blower protection legislation exists in the entities and the BD
- The overall organization of the public administration in BH is not conducive to ensuring clear lines of accountability
- A lack of procedures ensuring control over the creation of new institutions
- Limited or ineffective rights to appeal against refusals of access to public information, an uneven level of proactive provision of public information and a lack of an independent body to deal with appeals
- The implementation of the Ombudsman's recommendations is low
- There are not sufficient legislative guarantees for public liability at the state level, and the lack of data on the practical implementation of the principle of public liability makes it impossible to assess its functioning in practice
- A lack of consistent policy on a user-oriented administration
- Citizens' satisfaction with government services is not generally measured

<ul style="list-style-type: none"> - Opportunities for the scrutiny of legislation by the Parliamentary Assembly are defined - The responsibilities of ministries – and ministers specifically – for developing policies and legislation in their respective policy fields have been established by regulations - Internal rulebooks prescribe the division of tasks between the sectors and departments of the ministries - The legal framework establishes the procedure for transposing the <i>acquis</i> at the state level and this is adhered to by the administration, including the use of Tables of Concordances - Existing regulations stipulate the obligation to identify alternative solutions and their costs and benefits, and to analyse fiscal impacts - Regulation exists on the manner of public consultation as well as on inter-ministerial consultation - The requirements for the drafting of legislation have been set - Legislation at the state level (and for one entity) is made available through a single source 	<ul style="list-style-type: none"> - Equal access to services is not yet ensured - The policy-making system in BH is very fragmented - Accountability and reporting of the CoM to the Parliamentary Assembly on the implementation of legislation are not exercised - Internal rulebooks do not stipulate the policy development process within the ministry - A lack of medium-term harmonized planning at the countrywide level for EI issues - A lack of measures to ensure the financial sustainability of sectoral strategies and programmes - The rules regarding consultations have not been fully implemented - RIAs are not carried out systematically - A lack of Financial Impact Assessments for strategic documents - A lack of countrywide medium-term policy planning - Government reports that are available to the public do not provide information that would enable them to compare achievements against specific policy objectives
<p>Opportunities:</p> <ul style="list-style-type: none"> - Develop and adopt a new PAR strategic framework and ensure appropriate political leadership and guidance - Develop a public financial management reform programme, which is clearly linked to the new PAR strategic framework - Ensure that the information given in the respective annual budgets includes an end-of-year estimate of each budget user's spending for the current year - Ensure that, in the entities and the BD, the EBFs are brought fully into the budgetary approval process - Ensure that the full costs of IPA projects are recorded in both the MTBFs and the annual budgets - Ensure the transparency of budgets - Ensure that the reports of the respective budgets are consolidated into an annual report based on Eurostat standards, and this should be presented to the Parliamentary Assembly for its consideration at the time of the annual budget discussions - Examine the feasibility of establishing an independent fiscal council - Ensure implementation of an effective HRM system - Improving public service professionalization, including targeted training, development and performance appraisal of public servants - Create a competency framework for senior public servants - Ensure that the rules for the creation of administrative bodies clearly determine the required legal form of those institutions and enable control of cost-effectiveness - Specify an extensive catalogue of public information that should be proactively disclosed - Review the existing regulations on public liability - Introduce a single approach towards policy for service delivery in BIH including the necessary technical standards - Ensure the launching of the e-government portal providing information on all offered services - Implement the decision that provides for a uniform standard of interoperability of the IT systems of public institutions - Harmonize the procedure for business registration to ensure that this service is provided by one-stop shops and that the applicants' costs are minimized - Carry out a comprehensive review of all special regulations on administrative procedures, to investigate the scope of and the justification for exemptions from the Law on General Administrative Procedure - Ensure implementation of tools measuring citizens' satisfaction with public services - Ensure that sufficient assessment of the financial affordability of proposals is always carried out and takes into consideration all the potential costs, not only for the current year's budget but from a medium-term perspective as well - Establish a countrywide approach to the medium-term planning of EI-related matters - Further develop the monitoring system in order to ensure that reports include information on achievements against set policy objectives - Further develop regulatory tools and their use in practice - Strengthen capacities for all areas of the optimization of public administration 	<p>Threats:</p> <ul style="list-style-type: none"> - A general low level of trust in public administration among citizens and other subjects - Political instability, frequent changing of governments and ministers - Influence of politics on the work of public administrations - A limited budget for the modernization and optimization of public administrations - A lack of competent civil servants essential for further development - A lack of consensus with social partners regarding changes - A lack of coordination between institutions in practice - Slow adoption of regulation changes in the relevant areas of the optimization of public administrations; - Slow implementation of changes in the administration systems - A lack of efficiency in the monitoring system in the implementation of public policies

MACEDONIA: SWOT analysis
Sources: EC Progress Report, SIGMA Baseline Measurement Report

Strengths:

- Most central planning documents acknowledge PAR as one of the key reforms
- The PAR management and co-ordination structures at both political and administrative levels are established
- There is a distribution of responsibilities among the institutions involved in the implementation of PAR policy in the country, primarily through the reform actions foreseen in the PAR-related planning documents
- A comprehensive public financial management reform programme, addressing the identified shortcomings and linking and sequencing different areas and reform measures is developed
- The existing legislation covers aspects of good budgeting practice, including the assembly's role
- The annual budget is comprehensive, also including all Instrument of Pre-Accession (IPA) funds
- All public funds are channelled through the Treasury in a single account, which is controlled by the MoF
- Debt management is well structured
- The basic conditions for budget transparency are in place with the annual financial statement prepared soon after the end of the calendar year
- Scrutiny of public finances is provided annually by the SAO
- The new legal framework for a professional public service is established and is in line with the administrative law principles
- The laws represent an improvement by regulating the merit-based recruitment, promotion and dismissal of public servants in lower positions
- Basic salary components are clearly established
- The remuneration system of public servants builds upon clear criteria
- The new approach to the professional development of public servants is encouraging, as a competency framework will guide the development of the required competencies
- The new law stipulates that the performance appraisal results should be used for the termination of employment, reduction of salary, allocation of performance bonus, additional training and mentoring, and as a prerequisite for internal promotion
- The general ethical infrastructure for public servants is established
- A legislative framework for the organization of public administration is established
- Legal guarantees for access to public information are established
- The Law on the Ombudsman generally meets international standards and the vast majority of the Ombudsman's recommendations in individual cases are implemented by the state administration bodies
- A system of internal administrative appeal and judicial review of administrative acts is in place and the administrative courts are efficient in terms of reducing backlogs
- The general principle of public liability is set out in the LGAP
- There is a general policy prioritizing effort for the improvement of public services
- The general legal framework enshrining the basic principles of good administrative behaviour is established
- Sound initiatives aimed at the measurement and improvement of quality are in place, and a clear commitment to progress in the implementation of quality assurance tools
- A wide range of services are offered to businesses through one-stop shops and online portals
- The legal framework for policy development and co-ordination, including for European integration (EI) is established
- Key laws and the RoP set clear procedures for the functioning of the CoG and policy development in ministries
- A system of medium-term policy planning is in place that produces prioritized plans with indications of fiscal impacts at the government and institutional levels
- The EI planning and monitoring system is in place and is linked with the GAWP

Weaknesses:

- The PAR Strategy and Action Plan expired in 2015
- Within the competent ministry, the responsibilities for PAR co-ordination and monitoring are divided among the staff members of different departments; no single unit is specially designated for these functions.
- The Fiscal Strategy 2015–2017 was adopted by the government more than three months after the legally established deadline
- The medium-term budget framework is not yet in place
- The links to sectoral policy plans are not presented
- A lack of an efficient mechanism to monitor the budgetary impact of government proposals
- Planning of total public debt has not been accurate
- Budget transparency is not ensured, as comprehensive, timely and reliable budgetary information is not publicly available
- Merit-based recruitment of senior civil servants is not satisfactory
- Concerns continue over the transparency of staff mobility and possible misuse of dismissal procedures
- A recruitment process based on merit, equal opportunities and open competition is not ensured
- The Human Resource Management Information System (HRMIS) for the administrative employees is not unified
- A lack of a method for the allocation of allowances and for implementation of the new regulation
- Performance appraisal has not been properly implemented – almost all employees are assessed as top performers
- A lack of a method for the allocation of allowances and implementation of the new regulation
- The perception of corruption is high
- The distinction between different governmental bodies is not clear and the administrative structure is fragmented
- The practical implementation of the right to access information is complicated by a number of problems, including an excessively broad scope of exceptions and insufficient independent monitoring
- The right to administrative justice is hampered by the limited number of decisions on merit, and by delays in the enforcement of court rulings
- Data on compensation for damages is not available, which makes it impossible to assess its functioning in practice
- No comprehensive interoperability framework for e-services exists
- The quality of legislation is low – it does not cover all forms of administrative action and the scope of its application is limited
- The number of e-services for citizens through the e-government portal is limited, as is the number of services that offer transaction possibilities
- A lack of co-ordination of policy content
- Sectoral planning is underdeveloped and sectoral strategies do not provide information on the costs of the actions foreseen
- A lack of transparency regarding reporting on government performance
- Regular reports on the implementation of strategies are too general, do not evaluate the achievements against policy objectives and are not publicly available
- Scrutiny of RIAs is only done for a minority of the cases required by regulation
- Information on the agenda of formal government sessions is not publicly accessible
- A lack of rules for the policy development process within ministries

<ul style="list-style-type: none"> - The NPAA is a comprehensive document with costed activities - The legislative framework for monitoring and reporting on government performance is in place and reports are regularly developed - The formal processes for preparation of government decisions are in place and well adhered to by all stakeholders - The procedure for checking legislation is clear and is applied - The procedures for scrutinizing legislation in the assembly are well defined and there is forward-planning and regular dialogue between the government and the parliament - Regulations clearly allocate policy development responsibility for different fields among the ministries and to the top level of management of each ministry - The legislative framework establishes rules for transposition of the <i>acquis</i> which are an integral part of the overall policy development process - The regulation stipulates comprehensive use of tools for evidence-based policy making, and detailed methodology is in place - Regulation of public consultation is in place - Co-ordination across the government is ensured by regulation requiring consultation with all levels and bodies 	<ul style="list-style-type: none"> - Public consultations are sporadic and inconsistent
<p>Opportunities:</p> <ul style="list-style-type: none"> - Adopt a PAR Strategy and a public financial management reform programme - Improve the medium-term budget framework and transparency - Develop efficient mechanism to monitor the budgetary impact of government proposals - Ensure full implementation of the principles of accountability, transparency and merit - Improve the human resources management information system - Analyse the functions and internal organization of the institutions of administration at the central and local levels and conduct legal interventions - Conduct a medium-term comprehensive assessment of the implementation of new public-service legislation and improve the legislation, institutional set-up and implementation practices accordingly - Analyse the feasibility of further advancing merit-based recruitment and the termination of senior managerial positions, and prepare legal amendments; - Develop a uniform and comprehensive performance management scheme for state administration, including setting objectives and targets for all state administration bodies, managerial accountability for results, performance budgeting and regular performance reviews - Improve administrative procedures and decisions - Develop the e-government portal 'uslugi.gov.mk' - Develop a comprehensive system of co-ordination of policy content by developing the necessary guidelines, processes and procedures for development and scrutiny of policy proposals elaborated by ministries - Improve the medium-term planning systems by clearly aligning medium-term policy documents with fiscal strategy - Introduce a system of regular reporting on the implementation of major laws - Carry out functional analysis of the internal structures of ministries, aimed at strengthening their policy development functions and at gradually transferring policy enforcement functions to the existing ministerial bodies and other public bodies - Further strengthen RIA and public consultation - Strengthen capacities for all areas of the optimization of public administration. 	<p>Threats:</p> <ul style="list-style-type: none"> - A general low level of trust in public administration among citizens and other subjects - Political instability, frequent changing of governments and ministers - Influence of politics on the work of public administrations - A limited budget for the modernization and optimization of public administrations; - A lack of competent civil servants essential for further development - A lack of consensus with social partners regarding changes - A lack of coordination between institutions in practice - Slow adoption of regulation changes in the relevant areas of the optimization of public administrations - Slow implementation of changes in the administration systems - A lack of efficiency in the monitoring system in the implementation of public policies

Montenegro: SWOT analysis
(Sources: EC Progress Report, SIGMA Baseline Measurement Report, PAR Strategy and AP)

Strengths:

- The strategic framework of PAR is developed through the strategic document and Action Plan
- The PAR strategic document is implicitly in agreement with the principles of European administrative law
- The PAR Strategy and Action Plan covers all relevant areas of the optimization of PA
- The PAR Action Plan provides a good monitoring framework which sets out clear targets for performance indicators
- The institutional framework for PAR is established and there is a clear distribution of responsibilities among the institutions involved in the implementation of PAR policy
- Coordination mechanisms for PAR are in place
- The short-term measures regarding stabilization of the public finances have been successfully implemented
- The Law on the Budget and Fiscal Responsibility introduced several novelties: fiscal responsibility, inspection and accountability measures, and penalty provisions
- The annual budget timetable is well-defined
- The existing legislation covers aspects of good budgeting practice, including the definition of public money, the use of a single Treasury account and the role of parliament
- The annual budget is comprehensive, with the exception of IPA funds that are managed directly by the European Commission
- All public funds are channelled through the Treasury Single Account that is controlled by the MoF
- Cash management is basic and focuses on too many detailed budget lines rather than analysing broader expenditure needs
- Debt management is well structured
- The basic conditions for budget transparency are in place
- Scrutiny of public finances is largely ensured by the operations of the SAI, whose reports are regularly published
- The Programme of Public Finance Management Reform 2016–2020 defines the goals and objectives of further reform of public finance management
- Generally, the legal framework, policies and institutional guidelines regarding HRM are in place
- Distinctions between the status of civil servants and other employees in state administration, as well as the distinction between appointed and executive positions are defined
- The CSL establishes merit-based recruitment as a principle
- The level of professionalism in public authorities is raised (the positions of heads of authorities are available to all interested candidates who meet the requirements of the job advertisement, as well as positions within the category of senior management; a written test is introduced into the process of verifying the capabilities of candidates; procedures for merit-based recruitment formally exist)
- The Law on Salaries in the Public Sector harmonize pay levels for similar jobs in the whole public sector, raising the level of transparency
- The HRMA is responsible for the design and delivery of training, and it has an annual training plan based on the needs of different state authorities
- The new grading system provides legal bases for effective monitoring of performance
- The legal and strategic framework for HR planning is created
- The legal framework for strengthening integrity is established
- The organization and responsibilities of ministries and their subordinate bodies are clearly defined by the Decree on Government Organization
- The Law on Access to Public Information is in line with the Principles of Public Administration
- Free access to public information is ensured
- The control of the parliament over the executive is established through the Ombudsman, and the implementation rate of its recommendations is high
- The Administrative Court of Montenegro is operational and accessible to citizens and the court procedures are sahort
- State liability is regulated by several laws
- A service delivery policy exists in the form of different laws and strategies; services to be delivered at the state level are set by law.
- Mechanisms to reduce red tape and to analyse draft legislation are in place and applied, as is a systematic process to simplify administrative procedures

Weaknesses:

- Sectoral plans are not related to the medium-term financial planning
- Annual procedures for planning capital investments are separated from the budget planning carried out by ministries
- A lack of a published public debt management strategy
- Supplementary information (such as explanations for changes in spending) is available only as part of the explanatory material, which is not made public
- The demarcation of the upper division line between political appointees and public servants is not fully clear
- A lack of clear selection procedures for senior management positions
- A lack of a reliable system for transparent selection based solely on professional criteria (competencies)
- Direct or indirect political influence on senior managerial positions in the public service is not precluded at present
- A lack of accountability in relation to the implementation of training
- A lack of strategic planning of professional development and training in the public administrative authorities
- Performance appraisal is at a low level in practice
- A lack of systematic analysis regarding the functional and financial effects of implementation of the concept of administration authorities within ministries
- The supervisory authority for access to public information does not have the capacity to monitor all public institutions with the current rules and procedures
- The administrative silence on individual requests for information remains high
- The existence and required updating of databases and registries is not monitored
- The independence of the Ombudsman is limited in the areas of appointment and financial management
- The Administrative Court does not use its full remit, nor its inquiry capacity, which results in a considerable number of cases returning to the court
- The number of special administrative procedures is large
- Customer satisfaction is not being analysed comprehensively and no policy is in place to monitor the quality of public services
- Co-ordination amongst CoG institutions is mainly bilateral and not formalized
- The framework for medium-term planning is not comprehensive (a lack of unified rules for the development of sector strategies, the existing strategies do not include costing of activities and the MTBF does not include sector envelopes or links to sector policies)
- A lack of a monitoring system of government performance
- Activities in the EI plan are not clearly prioritized and the information on budgetary requirements is not sufficient to guarantee that they are viable
- The reports on horizontal government matters (the GAWP and the budget) do not provide sufficient information about the progress made toward outcomes
- Financial scrutiny through the analysis of RIAs is not developed to a satisfactory level
- New government drafts are often submitted to the parliament on an unscheduled basis
- A lack of rules for the policy development process within ministries
- RIA analysis and evidence supporting draft proposals is incomplete
- A lack of formal requirements or a mechanism for planning the implementation of laws
- A lack of a system that analyses and detects difficulties in the implementation of regulations
- A lack of systematic practice for analysing the implementation of major legislation

- A strategy for e-service delivery is in place, and the legal framework is set up
- The new Law on Administrative Procedures meets EU standards
- Accessibility of public services is ensured in general
- Key electronic registers are established
- All CoG functions are well-organized and consistent, and a competent policy-making system is established
- Elements of medium-term planning exist
- EI medium-term planning system is in place
- The system of monitoring progress against plans is well developed and reports are made public
- The requirements for the preparation of government decisions are clear and mainly adhered to
- Transparency in the government's work is ensured with published agendas and regular updates on the decisions made
- Scrutiny of legal drafts in the parliament is carried out and the parliament plays some role in overseeing the implementation activities of the government
- Regulations clearly allocate policy-making responsibility for different fields between ministries and at the top level of management in each ministry
- The procedural framework and institutional set-up for EI are well defined
- RIA is well-developed
- The normative preconditions for effective implementation of consultations with the public and for co-operation with the NGO sector are well established
- The Government of Montenegro has detailed legal and technical rules for drafting laws and bylaws
- All legislation is available in a central registry and legislative texts are consolidated

Opportunities:

- Ensure PAR-related training for relevant civil servants
- Further development of programme budgeting (introduction of success indicators, establishment of links between results-based budgeting and the policies of the government; improvement of procedures for planning capital investment)
- Development of standards and procedures for the selection of candidates for senior management positions in public administration
- Strengthening of the capacities and capabilities of civil servants employed in the national authorities who participate in the work of the commissions for conducting the capability verification process, as well as of people who have the role of respected experts in different fields
- Definition of a framework for competencies required for specific positions
- Strengthening of the system of accountability in relation to the implementation of training, as well as the strengthening of the strategic planning of training at the level of the authorities
- Improvement of the implementation of professional training
- Conducting of analysis regarding the functional and financial effects of implementing the concept of administration authorities within ministries
- Further development of procedures related to free access to information
- Strengthening of the independence of the Ombudsman
- Introduction of a system to measure the level of customer satisfaction with the existing public services
- Simplification of administrative procedures
- Introduction of a system of safe and reliable data exchange between national authorities
- Further development of e-government
- Establishment of a framework for system to monitor government performance
- Improvement of the quality of the RIA reports
- Introduction of the "full" RIA
- Organizing of training for civil servants regarding the RIA and public consultations
- Improvement of the planning and monitoring of the implementation of regulations
- Strengthening of capacities for all areas of the optimization of public administration

Threats:

- The general low level of trust in public administration among citizens and other subjects
- Political instability, frequent changing of governments and ministers
- Influence of politics on the work of public administrations
- A limited budget for the modernization and optimization of public administrations
- A lack of the competent civil servants essential for further development
- A lack of consensus with social partners regarding changes
- A lack of coordination between institutions in practice
- Slow adoption of regulation changes in the relevant areas of the optimization of public administrations
- Slow implementation of changes in the administration systems
- A lack of efficiency in the system monitoring the implementation of public policies

Serbia: SWOT analysis
(Sources: EC Progress Report, SIGMA Baseline Measurement Report, AP PAR Strategy)

Strengths:

- The strategic framework of PAR is developed through the strategic document and action plans
- The strategic document for PAR is implicitly in agreement with the principles of European administrative law
- The PAR Action Plan covers all the relevant areas of the optimization of PA
- The PAR Action Plan provides a good monitoring framework which sets out clear targets for performance indicators
- An institutional framework for PAR is established and there is a clear distribution of responsibilities among the institutions involved in the implementation of PAR policy
- Coordination mechanisms for PAR are in place and all decisions taken under these structures to date have been fully implemented
- The short-term measures regarding stabilization of public finances have been successfully implemented
- The medium-term budgetary framework is established
- The Fiscal Strategy covers the whole of the government, and the budgetary framework is co-ordinated by the MoF with input from line ministries and subordinate bodies
- Cash liquidity is ensured through the Treasury Administration using the single Treasury account
- The Budget System Law provides for transparency and scrutiny and, at the most basic level, the requirements of the law are implemented
- The Programme of Public Finance Management Reform 2016–2020 is adopted
- Generally, the legal framework, policies and institutional guidelines regarding HRM are in place
- The Law on State Administration has established a distinction between political and civil service positions
- The Law on Civil Servants establishes a distinction between the status of civil servants and other employees in the state administration, as well as the distinction between appointed and executive positions
- The professionalization of public servants by merit-based recruitment is protected under the Law on Civil Servants
- The Civil Service Registry is established in HRMS
- The Law on the Registry of employees, elected, nominated, appointed and people engaged in public fund beneficiaries, with the relevant by-laws is adopted
- The new Law on the Salary System of Employees in the Public Sector is adopted in order to achieve the principle "equal pay for equal work"
- A good training methodology is defined;
- Performance appraisal is ensured in regulations and carried out in all public authorities
- The ethical legal framework is largely in place, with a number of legislative measures that prevent corruption and encourage integrity in public administration
- The disciplinary procedures are adequately regulated, without major problems of implementation
- The legal framework for the organization of public administration is in place
- The legal framework regarding access to public information is in place, including the obligation to actively disseminate public information
- The institution of the Ombudsman is legally independent and reports to the parliament
- The legal framework for public liability is in place
- Policies on improving public services are included in strategic documents
- The Law on Inspection Supervision is adopted (combining the inspection services of various ministries into a single body in order to achieve better coordination and thus put fewer burdens on businesses)
- The new Law on Administrative Procedures is adopted – all the principles of good administration are defined
- The strategic, legal and institutional frameworks for e-government are in place
- Physical one-stop shops exist to a limited degree in local authorities, mainly for businesses, but also as "service units" for citizens

Weaknesses:

- The Fiscal Strategy does not contain clearly defined monitoring and enforcement procedures, bearing in mind the differences between actual and projected revenue and expenditure
- There are no long-term capital-expenditure projections, and details are missing about capital expenditure in general
- There is no sensitivity analysis that would show the likely direction of public finances should the major variables be less positive
- The national co-financing parts for the Instrument for Pre-accession Assistance (IPA) programmes are shown at the expenditure line item level for individual budget users while IPA funding is not, which means that a significant proportion of public expenditure is being omitted from the annual budget
- Profiles against which budget execution can be analysed are not published
- The annual financial statement provides only the most basic details
- Many employees in public administration exercise key state functions without the status of civil servant
- Some conflicts remain concerning the way in which the boundaries between senior public servants and political appointees are set and concerning the use of acting officials to fill senior positions on a quasi-permanent basis
- The HRMS, as it is, is not accountable to the minister responsible for public administration and the authority to ensure the implementation of the legislation in a coherent manner across the public service is lacking
- The recruitment regulations weaken the commitment to merit-based recruitment and the selection of public servants in practice
- The Civil Service Registry data is not used to managing and monitoring the system
- The cross-sectoral training of generic competences and courses is insufficiently funded, and the proportion of public servants that the Annual Programme reaches is very low
- Training does not reach all public servants
- The quality of performance appraisal in practice is at a low level (lack of measurable criteria)
- There are a wide range of public bodies without clear guidance on which legal forms are suitable for which tasks (e.g. public agencies)
- There are still too many independent agencies reporting to parliament, the government or a ministry, which hampers efficient steering and oversight
- The main shortcoming regarding access to public information are that: the relevant law stipulates too broad a scope of possible exceptions; non-responses from institutions; the Commissioner is not able to monitor the state of play related to the implementation of the right to public information.
- The Administrative Court rarely applies the principle of inquiry to the full extent and limits itself to the annulment of administrative acts instead of providing a final judgement
- A lack of data for analysis of the system of public liability
- Quality insurance tools are not implemented currently in the state administration and customer satisfaction surveys are not conducted on a regular basis

<ul style="list-style-type: none"> - There are numerous e-services, and the acceptance rate of citizens is increasing - With the exception of a comprehensive regulation covering co-ordination and scrutiny of policy content, all critical functions regarding the whole policy cycle are established - The European integration coordination functions are established, the necessary legal framework has been developed and the SEIO has the authority to carry out the functions assigned to it - Medium-term planning exists for the EI process, for finances and within some sectors, and a monitoring system is in place and is linked with the GAWP - The legislative framework for monitoring and reporting on government performance is in place - The NPAA is a comprehensive prioritized document - Reports on annual plans are regularly developed and shared with the public - Formal processes for preparation of government decisions are in place and well known to all stakeholders - The procedure for checking legislation is clear and applied - Procedures for the scrutinizing of legislation in the Assembly are well defined - The overall system for policy development in ministries is supported by appropriate rules - The EI process is defined, responsibilities have been assigned, and the process is well embedded into the overall policy development system - The RoP establishes the rules for public consultation and inter-ministerial consultation - The rules for public and inter-ministerial consultations are established - The RIA exists - Quality control for legislative drafting is well embedded within the policy development process - All legislation is available electronically - A package of new legislation regarding public policy management, which includes the draft Law on the Planning System, the draft Decree on the Methodology for Public Policy Management, Policy and Regulatory Impact Assessment, the content of individual Public Policy Documents, and a Methodology for Medium-Term Planning has been prepared 	<ul style="list-style-type: none"> - Medium-term planning lacks a comprehensive approach and clear alignment of medium-term policy documents with fiscal strategy - The NPAA does not address costing at the level of activities - Co-ordination of medium-term planning is not regulated, including decisions on the adoption of sectoral strategies - Reports on the government's performance do not cover the achievements against policy objectives - Regular reporting on the implementation of developed strategies is not ensured - Information on the agenda of formal government sessions is not publicly available - Parliamentary scrutiny of the implementation of laws is very limited - A lack of specific procedures within the ministries regarding system for policy development - The quality of RIA analysis in the draft proposals is poor - Public consultation is limited in its scope and not always applied, and information on the outcome of the consultations is not always provided to the decision makers - Inter-ministerial consultation lacks respect for deadlines, while information on the opinions and reasoning regarding rejected items is not provided to the government
<p>Opportunities:</p> <ul style="list-style-type: none"> - Ensure PAR-related training for relevant civil servants - Establish credible fiscal rules including corrective action to be taken in the event of the rules being breached - Respect the submission deadline for the budget to be sent to parliament - Develop guidelines for better capital investment project appraisal procedures and more details on capital investment, and improve the transparency of projects in the Fiscal Strategy - Ensure that the expenditure side of the budget shows the gross levels of IPA-funded expenditure - Ensure that performance information is included in the Fiscal Strategy and other budget planning documents - Establish the policy and legal framework of strategic HRM and develop improved instruments for strategic HRM in the state administration (competences for civil servants) - Establish the system for the general professional development of employees in bodies and organizations of public administration - Establish a framework for the management of performance in PA connecting all the existing elements of performance management and ensuring their upgrading - Establish electronic Registers of Public Administration bodies and organizations and employees in the system of Public Administration - Preparation, consultations and adoption of the action plan for implementation of the Decentralization Strategy - Establish a single system for public policy management which ensures the preparation of public policy documents which comply with the adopted standards - Preparation of medium-term work plans aligned with the strategic priorities of the government and the programme budget - Increase the transparency of the public policy management system 	<p>Threats:</p> <ul style="list-style-type: none"> - A general low level of trust in the public administration among citizens and other subjects - Political instability, frequent changing of governments and ministers - Influence of politics on the work of public administrations - A limited budget for the modernization and optimization of public administrations - A lack of the competent civil servants essential for further development - A lack of consensus with social partners regarding changes - A lack of coordination between institutions in practice - Slow adoption of regulation changes in the relevant areas of the optimization of public administrations - Slow implementation of changes in the administration systems - A lack of efficiency in the monitoring system for the implementation of public policies

- Establish the functioning of interoperable communication between the different information system services of SAB and LSU based on use of established basic electronic administration registers
- Establish and widely promote new electronic services which use the basic registers
- Introduction and promotion of mechanisms which ensure the quality of public services
- Improvement of the conditions for participation of the public in the work of public administration with an increase in the availability of information on the work of the public administration and public finances
- Monitor the implementation of the Law on the Protection of Whistle-blowers
- Include the costing of EI-related activities on the level of action in the revision of the NPAA
- Establish a well-structured system of strategies
- Develop full alignment between the medium-term plans and medium-term financial limits
- Monitor central planning documents so that they include information about the achievements against set policy objectives
- Clarify the timeframe for the process of preparation of proposals for deliberation by the government
- Ensure the transparency of agendas of formal government sessions
- Develop internal rules to set out the process of policy development and drafting of laws within the ministries
- Introduce the obligation to submit RIAs to the parliament together with their draft proposals
- Implement public consultation at the beginning of and during the development process for both policies and legislation
- Evaluate the approach to RIAs and assess *inter alia* how by-laws might be integrated into the practice of policy analysis, how consultation with external stakeholders could be strengthened and how the overall quality of the analysis could be improved
- Strengthen the capacities for all areas of the optimization of public administration.

Kosovo: SWOT analysis
(Sources: SIGMA, EC Progress Report, Programme of the Government of the Republic of Kosovo 2015–2018, Government programming policies 2015–2018, PAR Strategy 2015–2020)

Strengths:

- The strategic frameworks of PAR is developed through the strategic document and action plans
- The institutional frameworks for PAR are established
- The coordination mechanisms for PAR are established
- The medium-term expenditure framework (MTEF) is a well-presented medium-term outlook for public finances
- The budgetary system is set out comprehensively in the Law on Public Financial Management and Accountability
- The system of in-year fiscal management is operational
- The Treasury system provides detailed controls and the MoF has been able to limit public spending
- The risk of excessive public debt is low in the medium-term, and the basic conditions for ensuring borrowing from the market are currently in place
- The basic conditions for budget transparency are in place and scrutiny of public finances is ensured
- Merit-based recruitment and promotion are ensured
- The legal framework for HRM is in place for a professional and coherent public service
- The Human Resource Management Information System (HRMIS) is established
- The general rules and protocols regarding professional development are in place
- Performance appraisals are provided for by the law but in practice are treated as a formality
- The ethical legal framework is in place, with different pieces of legislation that prevent corruption and foster the integrity of the public service
- The legal framework for organization of state administration is established
- Internal and external mechanisms have been set up to protect the citizens' right to good administration
- The right to access public information is regulated in the Law on Access to Public Documents
- The government is committed to a user-oriented administration
- The quality of services regarding business registration has improved significantly in recent years
- The legal basis and institutional structures, including those for European integration, are largely in place to ensure a consistent policy-making system
- All strategies and policies have to contain a fiscal impact analysis
- The regulations and guidelines for inter-ministerial and public consultation are established
- Legal drafting requirements have been defined; requirements and guidelines for simple and clear legal drafting exist and are applied across the ministries
- All primary and secondary legislation is available electronically through the Official Gazette.

Weaknesses:

- PFM is not covered in the PAR Strategy
- The planning of IPA funds is not actively co-ordinated with the MTEF preparations
- The use of budget ceilings in the preparation of the annual budget is limited
- The budget documentation does not include the most recent estimates for the current year, information on contingent liabilities, long-term projections or non-financial performance information and the summary of fiscal risks does not cover the most significant risks to the budget
- Public information on changes to the annual budget made by the government during the budget year is not transparently disclosed
- Delays in the implementation of the system of classification of jobs and the new payroll system
- Delays in the functionalization of the information management system in the civil service and a poor system of monitoring the implementation of civil service legislation
- The impossibility in the process of recruitment and promotion in the civil service to fully implement the principles of the civil service for non-political, merit-based recruitment and increased professionalism
- A lack of a strategic approach to the development of the civil service and the development of training not based on the needs of the civil service
- An unclear system of accountability, a lack of adherence to the principles of the code of ethics in the civil service
- The legal framework regulating the organizational structures of public administration is unclear and insufficient and it is not implemented by all institutions
- The number of executive agencies established without clear criteria is unjustifiable and they have no accountability system in relation to the ministry they report to
- The internal organization in many institutions, both at central and local level, is not rational
- Mechanisms for access to public documents and information are insufficient. Proactive publications by institutions of information of general interest are not sufficient. In addition, there is no central institution that would demand accountability or impose fines on institutions in case they do not respond to requests for official information.
- A lack of sufficient mechanisms for the compensation of damage caused when public authorities take decisions, or by their actions or inactions
- A lack of a comprehensive analysis, strategic framework and clear policies for the modernization of public administrative services
- The Law of Administrative Procedure is not implemented sufficiently by the public administration
- Definition of the tasks and responsibilities for the institutional mechanisms responsible for leading, planning, monitoring, evaluating and implementing policies and legislation to modernize public services and implement the Law on General Administrative Procedure
- Electronic systems are not integrated according to the interoperability framework, and the electronic platforms for delivering electronic services and online services are not sufficiently developed
- The public administration has not established mechanisms and instruments for measuring public opinion about the quality of services that are provided to them by the administration
- In practice, policy planning is fragmented and lacks prioritization at the government level
- The timelines for consultations have often been too short to allow for effective civil society input
- Regulatory impact assessments are not used consistently
- The government is not informed about the outcomes of the inter-ministerial consultation process, and the enforcement of the public consultation requirements is sporadic or inconsistent

Opportunities:

- Effectively monitor implementation of the PAR strategic framework under the umbrella of the wider development strategy, ensuring a clear link between PAR and economic development
- Improve the medium-term budget framework and transparency
- Develop efficient mechanisms to monitor the budgetary impact of government proposals
- Ensure full implementation of the principles of accountability, transparency and merit
- Implement the Law on the Salaries of Civil Servants through functionalization of a new salary system for civil servants and finalization of the draft law for the salaries of public servants
- Improve the electronic information system for human resources
- Implementation of the new performance system will aid the better management of civil servants through motivation, and it can be successful only if based on clear individual and institutional objectives, and on its link with the general planning system of the government
- Adoption of the training strategy will create the opportunity for the Public Administration Modernization Strategy to be a roadmap to focus training within the civil service in priority areas under this strategy
- Finalize and adopt the legal framework for the Organization of Public Administration, review and adapt the administrative structures
- Set clear criteria and cost estimation when establishing new bodies and reorganizing the public administration
- Establish mechanisms to measure the performance of institutions and measure the individual performance of servants
- Enhance the accountability system within the civil service through legislation on the supervision of the civil service and best practices
- Establish sanctioning mechanisms in case of a failure to publish information and failure to provide access to public documents without providing a legal justification
- Develop a legal framework on the responsibility of public administration including measures for the implementation of administrative decisions, criteria for damage calculation and sanctions in case of illegal action or inaction
- Simplify and modernize procedures by conducting meaningful analysis that enables a strategic approach connecting it with administrative services which have a greater impact on the economic development of the country
- Establish mechanisms to lead, plan, monitor and evaluate the quality of public services and implementation of the Law on General Administrative Procedures
- Integrate electronic systems according to the interoperability framework and establish electronic platforms for the delivery of electronic services and online services
- Continuously inform citizens about their rights and ways to exercise them, about the provided public services, the ways to access them and other issues that may be of interest to them
- Improve inter-institutional and inter-ministerial coordination at the centre of government, , policy development and more thorough financial analysis
- Strengthen capacities for all areas of the optimization of public administration

Threats:

- A general low level of trust in public administration among citizens and other subjects
- Political instability, frequent changing of governments and ministers
- Influence of politics on the work of public administrations
- A limited budget for the modernization and optimization of public administrations
- A lack of the competent civil servants essential for further development
- A lack of consensus with social partners regarding changes
- A lack of coordination between institutions in practice
- Slow adoption of regulation changes in the relevant areas of the optimization of public administrations
- Slow implementation of changes in the administration systems
- A lack of efficiency in the monitoring system for the implementation of public policies

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