

FOR A MODERN PUBLIC ADMINISTRATION

**A WHITE PAPER
SETTING OUT ACHIEVEMENTS AND
CHALLENGES FOR THE PUBLIC
ADMINISTRATION OF BULGARIA
IN THE EUROPEAN UNION**

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Foreword

The Government made a commitment to work for the creation of an efficient state administration appointed on the basis of merit, whose goal is to work professionally and to ensure the delivery of high-quality service. To achieve this goal competitions were introduced for recruitment and selection of civil servants. All state employees now have clear personal objectives. We have introduced various ways of improving service delivery including through use of new technology and one stop shops.

But much more remains to be done. We are painfully aware that the public administration is not yet meeting the needs and expectations of citizens and businesses. There is a need for all political parties and civil partners to work together for a common vision of reform. We hope we can achieve it with the support of politicians, business, civil servants and ordinary people. It is important for the public administration to respond to the needs of the public instead of alienating it through bad treatment. It needs to be focused on delivering services to agreed quality standards. The administration needs to consult the public and take responsibility for its performance.

It is important for the public service to work effectively and impartially in the public interest and to be loyal to each democratically elected Government. New ideas and proposals should be developed by politicians and civil servants working together. We need clear strategic objectives, honest assessment of our results, and accountability for our use of public funds.

It is important for the public service of a EU member state to have the self-confidence to work with our partners to deliver real improvements and raising the living standard of the people of Bulgaria and Europe. I believe that our public service is capable of achieving these results.

SIMEON SAXE-COBURG

PRIME MINISTER

Introduction

This White Paper reviews the progress, sets out briefly the main challenges facing the state administration, and sets out some intentions and proposals for the future.

As part of the implementation of our EU accession commitments we have undertaken to modernise and strengthen the public administration. The policy intentions set out in this White Paper broadly correspond to our commitments to the EU.

The White Paper is published on the authority of the Minister of State Administration but with the support of all the political groups in the National Assembly. We recognise that implementation of these policy intentions is in our national interest.

The White Paper is a consultation document. We seek the views and comments of Bulgarian citizens, businesses and representative organizations. We intend to use these to refine and improve our policy proposals and to shape the preparation of plans for the implementation of the vision set out here.

Improving Service Delivery

The major part of the government's activity is the provision of services to citizens and business - such as in the areas of welfare, health care, education, and issuing permits and licenses. Despite the measures taken for improving public services, opinion polls show that citizens and businesses are not happy with the standard of service they receive. In the last few years the quality of service in the private sector has improved dramatically. This presents us with a twin challenge. The state administration must adopt good practices from the private sector while at the same time implementing the higher standards of legality and accountability required of the public service.

As a future EU Member State we are committed to implementing common EU standards in areas such as food hygiene and environmental protection. In ensuring implementation of these standards our state administration will not only provide a service to our citizens but also serve the citizens of other European countries. Goods made in Bulgaria or crossing our borders will travel freely within the Union. We will have to ensure that they meet required standards of the EU. The European Commission and the European Court will take action against us if we do not enforce EU law.

As an EU Member State we will also need to consider carefully what responsibilities should be delegated from the national government to the regional and municipal levels¹. We reached an agreement on the key principles for the decentralisation of revenue raising powers to municipalities. We enacted legislation to provide increased authority to local government to implement state mandated services. We have introduced an equalising grant to resource poor local governments. But some issues remain under debate. The policy for decentralization of services should continue to develop. The decisions made in this direction would help clarify the division of responsibilities between central and local government.

The agreed Strategy for Modernisation of the State Administration made a clear commitment to implementation of a series of measures to improve administrative service delivery². The key challenges are clearly set out in the Concept for Improvement of Service Delivery:

- Ensuring that services are focused on the needs of the users;
- Delivering services via the internet;
- Simplifying regulatory regimes to facilitate business and citizens;
- Transferring administrative functions from the state to the private sector;
- Changing the regulatory framework for improving administrative service.

Ensuring that services are focussed on the needs of the users

The starting point for changes in the administrations related to improving the service will be the needs and wishes of citizens and business. The Concept adopted eight principles for good administrative service delivery. Their implementation will lead to better service delivery.

Principles for good customer service:

- Treat all users fairly, honestly and courteously
- Set and publicise service standards and publish results against those standards
- Consult widely and promote continuous improvement
- Communicate openly and provide full information
- Encourage access to services, via different channels
- Work with others to provide an improved, joined-up service
- Measure and publish measurements of customer satisfaction
- Incorporate feedback and learn from complaints

¹ Under the important European principle of “subsidiarity”

² Strategy for Modernisation of the State Administration – from Accession to Integration 2003-2006

Treat all users fairly, honestly and courteously

Each customer is entitled to the same quality of service. However, users are very different. To meet their needs we will adopt a personal approach.

Some administrations do not think of themselves as service providers and do not perceive the service users as their customers. In these administrations senior managers must take responsibility for bringing about change. There are many examples of good managers at local level who have dramatically improved the quality of administrative services. We will have to take steps to improve leadership throughout the state administration. The specific steps are set out in the Civil Service chapter.

But all officials must play their part in change. All staff must deal with customers fairly, honestly and courteously, and they can expect the same behaviour from customers.

Set and publicise service standards and publish results against those standards

Modern administrations are led by leaders who set goals, objectives and standards. Leaders who inspire others to work together to realise these. Some administrations have now agreed and published objectives and service standards. Ministers will publicise objectives and service standards. Information on the results achieved will be made publicly available on an annual basis. Central government services should be delivered by units as close as possible to their customers and the focus of their work should be the quality of service. Ministries should focus on policy making. Most major services on central level should be delivered by Agencies. Some Ministries have already reorganised service functions into Agencies.

The Ministry of Health has transferred to its Executive Agency on Drugs the function of issuing permits for use of medicinal products. The register of wholesale traders in drugs has been transferred from the Executive Agency on Drugs to the Ministry of Health.

We intend to implement the transfer of further service functions to agencies through functional reviews of all Ministries in 2005. Our proposals are set out in more detail in Budget, Control and Accountability chapter.

It is important that each Agency should have clear agreed objectives and service standards and a strong focus on delivery. We intend that each Head of Agency should be accountable to a Minister for implementation of agreed objectives and service standards. We intend to make it a regular practice for all administrations to set and publicise service standards on an annual basis. These will be published in Customer Charters.

A customer charter is a clear and easily accessible document which informs customers of the services provided by the organisation and the service standards. The charter gives clear and precise guidelines on the rights of users if the standards are not met. Customer charters should be easily available e.g. on the websites of service providers. A key part of developing the Customer charters is consultation with customers.

Many administrations have already developed and published customer charters. These are published on websites or are available from front offices. All administrations will improve and publish Customer Charters by the end of 2005.

The Charter of the Ministry of Health contains appendices which describe in detail the administrative services they provide: documents, time-lines and processes, as well as the names and contact details of front line staff.

The Ministry of Agriculture and Forests has included in its Charter that they have a team member who knows sign language and can serve people with hearing or speaking problems in obtaining the necessary information.

The draft version of the Customer Charter of the Ministry of Environment and Waters contains photos of the front office and is published on their website to invite feedback from users before approving the final version.

The Charters testify to the administrations' willingness to change and be more open. Even if these Charters are imperfect, their development will be encouraged because the first steps are the hardest. The process of developing a charter is very important since at its core is consultation with customers. We aim for all administrations to involve their customers in developing or improving their customer charters. Our policies will be directed at reviewing the overall progress in introducing customer charters and publishing the results.

We have set up an annual service delivery self assessment process for administrations using a tool based on the European Common Assessment Framework. Some administrations are beginning to use the system as a tool to drive change. Some administrations are using other quality management systems such as ISO 9001 as tools for continuous performance improvement. We aim to support a number of other administrations to pilot use of quality management systems, in order to increase understanding of the value of this approach as a tool for continuous improvement.

Consult widely and promote continuous improvement

Service users are most aware of the gaps in the administrative service process. On the other hand, public servants also have direct observations on the process. Consultations with the public and within the administrations lead to getting valuable proposals for service improvement. All the stakeholders who have stated their opinion will receive information on the analysis of the proposals and steps taken as a result. This activity should be based on a systematic approach. That is why we have linked this principle with the establishment of a feedback mechanism in the administrations.

Incorporate feedback and learn from complaints

Half of the administrations report they are using customers' feedback but very few have introduced a system for measuring and analysing their satisfaction. There is no practice for the analysed results of the feedback, acknowledgements and complaints to be publicized, and the planned actions on the part of the administration as a result of the feedback do not reach the citizens. Most administrations declare they receive no complaints for poor service provision. This is no reason to be proud. There should be a continuous drive to improve the service.

The Ministry of Finance is actively seeking feedback with service users through a variety of channels. The website of the Ministry has a forum where all registered users can state their opinion on a given topic or even suggest a topic for discussion. The list of frequently asked questions has an explanation of how to use the forum. An online discussion is being held with the Minister of Finance once a month. The topics are determined by the participants and the time for discussion is announced in advance. The Minister's responses are published in real time and can be seen, heard or read. Another useful feedback channel is the hotline for corruption tip-offs. This line is toll-free for digital telephone lines. Alerts for corrupt officials or corruption practices in the Ministry or any of its agencies can be submitted anonymously as well.

Our aim is to introduce best practice on handling complaints during 2005. A key part of this will be to start soliciting user feedback. Municipalities have made a big progress in establishing various feedback mechanisms. We intend all administrations will report the progress in this area in their annual reports.

We aim to make the establishment of various feedback channels and reporting the results from them to become a standard practice in the administrations' efforts to improve the service. We will seek the opinion of users on the best channel for access to the various services.

Communicate openly and provide full information

Most administrations provide some information on the services they provide but the standard varies enormously. Information on the services targeted at users is provided and updated in 76% of central administration units. Information is mainly provided through notice boards, leaflets are sometimes published on the various services. We plan that our further actions focus on the description of services in a plain and clear language, as well as on regular update of information for customers – both in print publications and websites.

The Employment Agency publishes a variety of leaflets, booklets and information posters. The material is targeted at specific groups of customers, e.g. job seekers and employers. The information is presented in plain and accessible language without using technical, professional or legal jargon. The Agency has implemented the idea for creating a space for self-information where users can get acquainted with the information they need before entering the front office. The information materials are printed in large font, and the titles are in different colours to make it easier for users to find the information they need. There are filled-in forms and sample documents displayed to make it clear to the users what information should be included in them.

We intend to provide suitable information material to people with disabilities, and in foreign languages, when necessary.

Measure and publish measurements of customer satisfaction

Many administrations already measure the views of their customers through surveys and opinion polls. An important tool for analysing the state of service provision is the analysis of complaints. Most administrations have developed complaint mechanisms. Opinion polls show that the main reasons for lack of reaction when there is dissatisfaction with the quality of service is the widespread opinion that taking actions related to submitting a complaint will not bring positive results for citizens. That is why we intend that the work regarding citizens' complaints and the best practices in this area be given more publicity.

Encourage access to services, via different channels

The traditional channels for access to services are face-to-face and post. There are various models of organizing service provision subordinate to a single goal – streamlining customers service provision. Over 70 per cent of administrative units provide services through one stop shops. Many municipalities have established the practice of relieving and streamlining the services they provide through Centres for Information and Services that follow the one stop shop principle. The Entrepreneurs' Information Desks are similar but focused on business.

The Labour Bureaux in Montana, Pazardjik and Velingrad were the pilots of the One Stop Shop project in the Employment Agency. The Bureaux set up Centres for information and services with very different physical environment: wide and open spaces, no barriers between the users and the staff; seating arrangements, as well as easy access for people with disabilities. This creates a comfortable and welcoming atmosphere. Customers are met at the entrance by a member of staff who provides the necessary information and guides them to the relevant places which are clearly signposted with bright colour-coded notices. This way the customer flow is managed through appointments with each customer to avoid long queues. It is possible to obtain information through different channels – post, email, telephone, Internet and face-to-face or through the information boards in the Bureaux. Feedback mechanisms are in place and users have been actively using the post-boxes for opinions and suggestions. The Labour Bureau in Montana alone has registered 108 comments and suggestions for the first three months since the opening of the new Centre.

We intend all administrations will review the services they deliver with the aim of making access to services simple and convenient for the customer, including meeting the needs of people with disabilities.

Work with others to provide an improved, joined-up service

We recognise that there is often poor cooperation between administrations and that we are a long way from providing joined-up services. Part of the problem is complex and inconsistent legal procedures. There are many examples of procedures which require customers to collect information or documents from several administrations before being entitled to a service. We aim to support pilot projects to reorganise key services around the needs of customers around the so-called "life episodes" (e.g. opening a shop or restaurant, getting a building permit, etc.). This will require different state organisations to share information and work together. We set out proposals to improve coordination and mobility in the state administration in the Public Service chapter.

We will encourage the signing of agreements between administrations regarding joint provision of services as well as initiatives for changes in the legislation which regulates the joined-up service provision.

The process of globalisation and the dynamic development of the modern information society require the use of IT for improving service delivery.

Delivering services via the Internet

Most Ministries, Agencies and Municipalities have set up websites which provide information, and some provide services online. Now citizens are able to change their residence registration, make a check-up in Bulgarian firms' files or receive information about their personal health insurance instalments via the Internet.

Stara Zagora has developed e-Gateway for online service delivery at: <http://egateway.sz.government.bg/default.aspx>. Three institutions in the area of Stara Zagora jointly provide services through the Internet: the Police Department, the regional and municipal administration.

In 2003 Gabrovo region implemented the pilot project e-Region through which the four municipalities in the region - Gabrovo, Sevlievo, Triavna and Drianovo - established an electronic network for exchange of documents and information among them and with the regional administration.

We are efficiently developing taxpayers' services. The General Tax Directorate introduces innovative and versatile ways of providing services at: <http://www.taxadmin.minfin.bg/uslugi.php>. The declarations for personal income tax can now be submitted through the Internet. We introduced the service "VAT through the Internet" which allows all persons registered under the VAT regime to submit their VAT documents online. The project "Large Taxpayers and Social Security Payers" provides an opportunity to big companies to implement their social security and tax obligations at one place.

As part of the fight against corruption Varna District Court has implemented an eCourt initiative to enable the public to monitor the progress of court cases. This has required cooperation between the Police Department, the Municipality, the Prosecution Office and the Courts in the city of Varna.

We intend to gradually increase the range of services available online where surveys show that there is sufficient demand for such services. We intend also to increase use of information technology as part of our drive to improve transparency and accountability.

Simplifying regulatory regimes to facilitate business and citizens

The biggest number of administrative services related to licensing, registration, permit and coordination regimes are implemented in the central administration. An interministerial ad-hoc group was set up with the main task of making an overview of the active regulative regimes by making a comprehensive analysis of the primary and secondary legislation for their introduction and application.

Legislative changes have been introduced in 160 out of 192 regimes in total. The changes have been made as a result of the recommendations made after the analysis. Specific legislative steps have been made for preventive control on the new regimes.

In the last few years we have worked on aligning our legislation with EU law. This has imposed many new requirements and burdens on businesses. The regulatory burden is a problem throughout Europe. EU Member States have thus committed themselves to reducing regulation and increasing the competitiveness of the EU economy. There is particular pressure to improve performance on certain key indicators such as the time it takes to establish a new company. But there is a deeper need for us to create a culture of implementing EU regulations in the way that imposes the least cost in terms of lost jobs and investment. In line with Commission recommendations we intend to set up a Better Regulation Unit in the central administration.

Transferring administrative functions from the state to the private sector

Every EU country has transferred some functions in whole or part to the private sector. There is no single model on whether functions such as railways, hospitals, and schools should be run by the public or the private sector. The guiding principle should be the constant search for best value for money. The private sector can often provide better value for money because competition between suppliers drives service improvements and streamlining of processes. We have reviewed the possibilities for transferring functions to the private sector.

A first priority should be to stop those activities which are no longer needed.

A second priority should be to consider for transfer to the private sector internal support functions such as cleaning, building and IT maintenance. Many administrations have already contracted out some services but there are still major opportunities in sectors such as healthcare and education.

In the central administration only the Ministry of Finance has outsourced to a company the maintenance of IT systems and networks, the maintenance and administration of the technological environment and processing of information on municipal budget reports.

The Executive Agency Marine Administration has contracted out the function of making assessments of conformity to the International Management Code for Safe Operation of Ships and Ship Companies.

A third priority should be to consider contracting out services provided by the state such as refuse collection, playgroups or residential homes for children and the elderly.

The functions of waste cleaning, winter maintenance of streets and road network and park facilities have been contracted out to companies in the municipalities of Dolni Chiflik, Borovo, Kubrat, Dolna Banya, Elin Pelin, Cherven Briag, Yakoruda, etc.

The functions of collecting fees for markets and marriage ceremonies have been contracted out to companies in the municipalities of Aitos, Vratsa, Stara Zagora and Novi Pazar.

Contracting out will be easier where the market already provides these services or where the service needed can be defined simply and clearly. The creation of agencies may be seen as a stepping stone towards outsourcing or as a way to improve service delivery within the public sector. Where functions

are complex and risks are difficult to assess there may be a role of considering closer partnerships between public and private sectors.

We intend to develop practical guidelines on outsourcing. These will need to cover a range of policy and practical advice on issues, such as:

- Securing top management commitment;
- Consideration of staff issues;
- Specification of clear service requirements in terms of outcomes or outputs;
- Monitoring of performance;
- Ensuring valid comparisons between in-house and private sector bids;
- Fostering competitive markets;
- Building and developing contract management skills.

Ministers should give a personal lead to work on outsourcing. Decisions on outsourcing like other financial decisions should be made within a clear legal framework, providing transparency and accountability. We set out proposals on financial decision making in chapter Budget, Control and Accountability.

Improving the legal framework

A key principle of our democracy is that the government and state administration must exercise its authority while respecting the rights and interests of citizens. Although European democracies have built their legal systems on different traditions there is a strong consensus and convergence on the principles of administrative law. These principles need to provide a clear legal framework for decision making and to ensure that the administration can be held accountable for its actions. Judged against these standards our current law has a number of weaknesses.³ The Administrative Procedure Code is to be approved by the National Assembly. The Code will replace a number of existing laws and thus simplify the way in which the administration works.

The code will:

- Clarify the basic principles that govern all administrative decision making; e.g. principle of proportionality, right to appeal administrative acts;
- Regulate the internal administrative review by the higher administrative body;
- Regulate the judicial review of administrative acts, actions and omissions of the administration
- Regulate the enforcement of administrative acts and court judgements

With a view to the actions for improving administrative services the Code will homogenize the acts and actions which constitute an administrative service; it will offer a faster and more efficient service delivery process and will provide the necessary legal framework for implementing the above principles for good administrative service:

Work needs to be done in the following directions:

- Developing and publishing service standards for the relevant year to become a regular practice for all administrations;
- Heads of Agencies to be accountable to a Minister for implementation of agreed objectives and service standards.

³ An independent assessment funded by the EU found that “overall the legal administrative system does not guarantee the rule of law and the full application of the principle of legality in the working of the administration; it therefore remains unsuitable for a democratic state” SIGMA Public Service and the Administrative Framework Assessment, 2004

- All administrations to engage with all the stakeholders to develop or improve their customer charters.
- To review the overall progress in introducing customer charters and to publish the results of these reviews.
- All administrations to continue their efforts to provide information on their services in plain and simple language with the help of various methods such as posters, leaflets, Internet, etc. To provide suitable information material to people with disabilities, and in foreign languages, if necessary.
- To support pilot projects to reorganise key services around the needs of customers following the so-called "life episodes" principle (e.g. opening a shop or restaurant, obtaining a building permit, etc.).
- To initiate and implement pilot projects for quality management systems as a tool for continuous improvement.
- Canvassing customers' opinion to become a standard ongoing practice in the administrations' efforts to improve services.
- To give more publicity to the work regarding citizens' complaints and the best practices in this area.
- To set up a Better Regulation Unit in the central administration.
- To increase the range of services available online and to increase use of information technology as part of our drive to improve transparency and accountability.
- Administrations to be supported in their initiatives for improving administrative service through applying a centralised system for management and allocation of funds.
- Administrative service to be as close as possible to users.
- To develop practical guidelines for outsourcing.
- To pass an Administrative Proceeding Code in line with the best European practice and Bulgarian legal traditions.

Better Policy Making

For most of the last decade we have been engaged in writing the new laws necessary for a free society, a market economy and a future EU member state. But with the conclusion of the EU negotiations, the nature of the work of government is changing. Our task now is to focus on the implementation of EU law and measures to tackle pressing domestic issues such as unemployment, corruption and improving public services. It is important that we start by setting clear objectives and then deciding carefully how to realise these, using the various tools at our disposal including assistance programmes, better management, and changes in the tax and benefit system. It would be good to build a common vision in everyone involved in the process which would give an impetus to stakeholders to work together to implement their common interests. The policy making process and the budget process must be connected. Policy making and discussions must precede law drafting.

Ministers have political vision but rely on the state administration to turn that vision into policies and actions that will lead to the desired changes in the real world. The focus of the work of the central state administration will be to assist the duly elected government in formulating and implementing its policies. In order to achieve this, civil servants must become effective policy advisers, project managers as well as legal drafters.

In an increasingly globalised world the government can tackle few problems on its own. We need to work in cooperation with our partners in the EU, other governments and international organizations to address problems such as organized crime, drug trafficking or welfare of children. Equally important is the need to work in cooperation with business and non-governmental organizations here in Bulgaria.

As a new member of the EU we will be able to play our part in shaping the policies of the Union. A key way we will do this will be through the participation of civil servants in the hundreds of EU working groups that discuss problems and propose EU policies. We will be able to start participation in these working groups from signature of the accession treaty in April 2005. We need to adopt a way of working that gives us influence in the EU policy making process. Ministers will need to decide policy priorities - where can we compromise and where should push our views. Civil servants will need to become effective alliance builders and negotiators to protect the interests of Bulgaria. There will need to be a continuous dialogue between Ministers and civil servants on what we want to achieve and how we want to achieve it.

Building a policy making process

There is no formal EU law on policy making. But the 2001 Commission White Paper on European Governance set out principles for policy-making in the EU. In line with this we have developed a framework for good policy-making. This framework consists of a core policy making cycle: Strategic Planning – Policy making - Implementation - Monitoring and Evaluation

Strategic Planning

A good policy making process should start with strategic objectives and strategic plans. Some but not all Ministries have set and published strategic objectives. We intend all administrations to set and publish strategic objectives including in their annual performance reports.

In most Ministries it is realized that developing good policy relies on a policy dialogue between Ministers, their political teams, and civil servants. The idea that Ministers and their political advisers should do policy making and that civil servants should do implementation simply does not work. The policy dialogue between Ministers and civil servants should include informal discussions. Most Ministries have established the practice of regular meetings between the Minister, his political team and senior civil servants. The policy dialogue should also include the preparation and agreement of written policy

papers and Ministerial policy statements to the National Assembly and the media. Policy papers should be widely circulated within and between Ministries to inform and guide the work of the state administration. Most Ministries already publish key policy and strategy documents on their websites.

In our tradition Deputy Ministers play a key role in managing the preparation of policies and laws. Deputy Ministers often personally lead key areas of work such as the development of new laws or negotiation of major contracts. This can be a powerful way to drive forward change, but civil servants need to be fully involved in order to avoid a lack of continuity and delay when Ministers change. We believe that both Deputy Ministers and senior officials should be engaged in the process of policy-making but that they should play different roles. Deputy Ministers are part of the Minister's political team. They should support the Minister in setting the strategic agenda and priorities for the Ministry. They should normally oversee the development of policy in particular sectors and play a significant role in presenting and explaining government policy to the media. Senior civil servants should lead and manage teams within the administration, to provide honest and impartial advice to Ministers and make all information relevant to a decision available to them. They should guide Ministers on the requirements of the law and ensure that legal requirements are met e.g. for keeping proper records. The Chief Secretary should take responsibility for leading and coordinating the work of the Ministry and ensuring that it delivers the policy-making assistance the Minister wants.

Policy Making and Implementation

It is necessary to think about how a policy, strategy or law will be implemented as it is being developed. There is no point having a wonderful text if it is not implemented. Some administrations have developed strategies and action plans which contain proposals for which funding has not been agreed. Some laws have been agreed without thinking through how they will be implemented. We will take the necessary actions to ensure that the policy and budget planning processes are connected. It is important that responsibilities for policy development and overseeing implementation should be connected. For each policy area the senior official responsible for policy advice and overseeing implementation should be clearly identified and these responsibilities reflected in structural regulations and personal job descriptions.

Policy making starts for many different reasons. It may stem from an election commitment or be triggered by a proposal for a new EU directive, or a court decision. Policy making often has to react to external events. Whatever the formal policy making process, urgent decisions will often be made by small groups. It is clear that it is not possible to prepare a flow chart or a set of procedures that will be useful for all situations. We understand rather that the development of a policy-making culture depends on the development of a professional, politically neutral civil service. We intend to support this by strengthening training in policy making for new civil servants and managers.

Monitoring and Evaluation

We have established a good central system for monitoring the implementation of our obligations related to EU accession. Some administrations have set up other systems to monitor implementation of policies and laws. The implementation of program budgeting will require greatly increased monitoring of implementation.

A good policy making process should include monitoring and evaluation. It is important to evaluate whether policies and programmes have realised their objectives. This is not easy. It is often useful to ask an outside organisation to conduct an independent evaluation. We intend all administrations highlight the results achieved and expenditure in their annual public reports.

Adopting good practices

Our framework for good policy-making highlights three cross-cutting activities needed for the efficient implementation of the process:

- Consultation
- Impact Assessment
- Coordination

We intend to support the development of a strong policy-making culture by implementing good practices. We recognize the need to underpin implementation by amending laws and regulations. We therefore intend to amend the relevant legislation in order to legally regulate the policy making process.

Consultation

We believe that involving a wide range of stakeholders in the policy-making process leads to better policy. Consultation can take different forms depending on the policy issue under discussion. We already have good mechanisms for consultation such as the Tripartite Cooperation Council and the Council for Economic Growth. There are many other good examples of consultation practices including with external experts, the interested business and NGO community, and with the public.

The Ministry of Agriculture and Forests maintains a list of external experts and stakeholders with whom it consults regularly.

The Ministry of Environment and Waters organizes meetings with non-governmental organizations in order to discuss the various legislative amendments at an early stage of their development.

The Ministry of Energy and Energy Resources makes all materials available for public discussion before adopting them. Every draft bill is publicly presented with invitations sent round to major stakeholder representatives, including opponents. This approach ensures that the best texts will be adopted. The Ministry also keeps regular contact with the relevant EU units and countries in the region.

There are also examples of laws and regulations prepared with little or no consultation. We have developed training materials and best practice on consultation. In order to encourage effective implementation of consultation we intend to require every draft law submitted to the Council of Ministers to be accompanied by information about the consultations that have taken place. We intend that where major changes are proposed we will publish White Papers as public consultation documents.

Impact Assessment

Ministers need to have information on the likely impact of new laws or programme before they decide to implement them. It is possible to make different kinds of impact assessment looking at the impact of new laws on e.g. the environment, budget, business or society. Different kinds of impact assessment are useful in different situations. Some administrations are already making good use of impact assessment.

The Ministry of Environment and Waters is making a regular impact assessment on the environment which potential legislative amendments and decisions may have.

The Ministry of Labour and Social Policy is making an impact assessment of the introduction of EU directives in the area of health and safety at work following a methodology approved by the Minister.

Ministries make a regular impact assessment on the budget of all their new proposals.

Businesses in Bulgaria complain that bureaucratic requirements impose unnecessary costs and deter investment. In order to encourage effective implementation of impact assessment we intend to require

every draft law submitted to the Council of Ministers to be accompanied by a report explaining the results of the ex-ante assessments made. In order to oversee and support implementation we intend to set up a Better Regulation Unit in the central administration.

Coordination

We have established good formal coordination procedures. Administrations publish all draft laws a month before submission to the Council of Ministers for formal approval. Draft legislation is circulated to all Ministries for comment a week before it is due to be formally agreed. A number of Ministerial Councils and expert level working groups have been established for policy coordination. There is regular written communication between Ministries at the level of Deputy Minister or Director. We intend to make ongoing efforts for improving the culture for coordination within the administration.

The main function of the Council of Ministers' Administration is to support the coordination of government policy. Arrangements for the coordination of the EU accession negotiations have worked well, partly because of an effective central team. We should build on the success of this model. We intend by strengthening the role of secretariats of ministerial councils to improve the coordination and linkages between the interministerial councils and administrative units in order to have a more efficient communication, exchange of information and expertise.

We recognise that information exchange and transparency are important. At the moment it is sometimes difficult to find draft laws even if these have been posted on the Internet. We intend therefore that all legislative proposals are posted on the government website. The process would start with the responsible Ministry posting the initial policy outline and would continue with the posting of drafts of proposed legislation. This website would allow Ministers, officials and the public access to track the progress of proposed legislation. This website might also be used as a consultation tool.

Working groups are another important tool for coordination. Working group members need to have a clear idea of the policy and priorities of their administration. This will come in part from published strategic objectives, strategies and policy papers, but working group members should seek as necessary further guidance from line managers and Ministers. This should normally be done in writing. Participation in a working group should be institutional not personal so that the work of the group is not interrupted when someone is not available. The working groups in the EU function in this way.

The existing formal coordination mechanism provides a good foundation but we recognize that informal coordination has to start earlier in the policy-making process. There needs to be effective communication and coordination between experts both within and between Ministries. This means that policy problems and proposals should be discussed informally by networks of experts, often using e-mail or through informal working groups.

Work needs to be done in the following directions:

- To set and publish annual strategic objectives of each administration.
- To publish annual performance reports of the administrations by focusing on the results achieved and on expenditure.
- To highlight the issues related on policy making and consultations in the curricula of the Institute for Public Administration and European Integration
- To strengthen the practice of policy making and drafting new legislation by using consultation, impact assessment, monitoring and coordination.
- To amend the relevant legislation in order to legally regulate the policy making process.
- To introduce the practice of submitting draft laws to the Council of Ministers accompanied by a report on the consultations held and the ex-ante impact assessment.

- To set up a Better Regulation Unit in the Council of Ministers to oversee and support implementation of impact assessment.
- To improve the coordination between the work of interministerial councils and the administrative units.
- To post all legislative proposals on the government website.
- To publish and have consultations on White Papers in key sectoral policies.

Budget, Control and Accountability

The Budget

In recent years the good balance of revenue and expenditure section of the state budget has been a cornerstone of economic stability and a key factor in encouraging investment and economic growth. The next stage of reform will be to improve the way money is spent.

It is important that the government should be able to make decisions about priorities and keep on with the introduction of a system that would ensure that funding is efficiently spent on serving the national priorities. We therefore intend to introduce program budgeting. Programme budgeting is an instrument to ensure good governance. In 2003 three Ministries started to take part in a pilot project to prepare program budgets. In 2004 a further four Ministries joined the pilots. The program budgeting process requires Ministries to carefully consider and set their objectives and to organise their work into programmes that have clear outputs and intended outcomes. We propose to complete implementation of program budgeting as follows:

- All Ministries will set clear top level objectives for 2006 and provide information to the public on the objectives and key programmes they are working on.
- All Ministries will develop their budgets for 2007 showing the specific programmes for which budget resources will be spent; yet we will continue to allocate resources on the current basis.
- In 2008 the programme budgeting system will go live - all Ministries will receive funding only for the implementation of specific programmes serving their top level objectives.
- In 2009 all Ministries will submit their annual report on the implementation of their 2008 objectives to the National Assembly.

The Ministry of Finance should have a key role in approving the allocation of funds according to priority programmes and to ensure the accountability of expenses. Ministries will need to be responsible for the way they spend their budgets and prioritise their resources to respond to changing conditions.

The 1996 Organic Budget Law has provided a sound basis for public expenditure management. But in order to implement program budgeting the regulatory framework will need to be amended. We intend to prepare a more detailed paper setting out our proposals and to consult widely on this. Amending the law will be part of a wider change process. Financial management is a process for all managers to be involved in. The Institute for Public Administration and European Integration and the School of Public Finance will provide the necessary training for developing the required knowledge and skills.

We intend that Ministers will need to agree the top level objectives for each Ministry. This is a key mechanism for ensuring that Ministries deliver the government's political agenda, since operational objectives will cascade from these top level objectives. The top level objectives of a Ministry will thus affect the personal objectives set by each individual civil servant. But setting objectives should not be just a top down activity. Strategic objectives will need to reflect what is really done and what actually needs doing. Therefore we intend that there will be discussion of objectives at various levels to ensure that agreed objectives are realistic and that there is a commitment to achieving them.

The effective and efficient management of major projects depends on stable and predictable funding. For the state budget, stability will be provided through the medium-term expenditure framework. One challenge that we need to address is the rush of expenditure at the end of the year. Money is often spent with little thought, and projects are started with no sustained funding. The reason for this is that funding is either spent or lost. We intend to introduce arrangements to address this problem by allowing Ministries to carry over up to 5% of allocated funds to the next financial year. We intend to introduce arrangements to improve transparency of the reallocation of funds in the financial year and to ensure that such changes are made only as agreed by the National Assembly.

The lack of coordination of investment, particularly investment in IT is another challenge we need to accept. We need to ensure that all major investment projects and all contracts over 10 million leva are reviewed and agreed by the Ministry of Finance.

Accountability

Bulgaria has made good progress with creating the legal and operational structure for the handling of EU funds. The SAPARD Agency was accredited as having in place the control systems needed to manage EU support funds for farmers and agricultural businesses. We are now implementing similar arrangements in other institutions. This will ensure we can make use of all the funds that will become available as we join the EU. We are committed to strengthening written procedures for financial decision making. We are separating roles so that the same person is not both organising purchasing and authorising payment. We are improving training, developing procedures for handling irregularities. We are introducing the concepts of management accountability and risk management. All these improvements will ensure that EU taxpayers' money is spent correctly. Similar changes are needed throughout the public administration so that we can be confident that Bulgarian taxpayers' money is spent correctly too.

In our democracy the National Assembly has a vital role in holding the government to account. The government publishes and passes to the National Assembly⁴ for assessment annual reports on its expenditure. The National Audit Office provides the National Assembly with an assessment of the extent and the way the earmarked funding has been spent. In the future the National Audit Office will also advise the National Assembly on the performance and value of money of that expenditure. In order to improve accountability we intend to provide the National Assembly with more useful financial information though meeting the relevant international accounting standard⁵. A better analysis will be made of the results of expenditure after the program budgeting initiative is introduced.

The European Commission has identified three key issues that need to be addressed: (1) the financial management system, (2) internal audit, (3) financial management and audit policy.

Financial Management

Currently the responsibility for decision making on financial issues is carried by the political management of an administration and there is no process for delegating such responsibilities. Ministers spend a large proportion of time approving small items of expenditure. This system has some weaknesses. At the same time the public continue to believe that there is corruption and misuse of public funds. Determined action needs to be taken to restore public confidence.

We therefore intend to introduce a financial management system based on the delegation of control and accountability. This objective is not new⁶. The proposed system will allow Ministers to delegate some of their responsibilities in writing to officials. These officials will be responsible for making decisions on the use of funds within defined limits and will be accountable for ensuring that funds are used for the purposes intended in the most effective manner⁷. Ministers and officials at each level be responsible for the implementation of necessary systems of financial control. These proposals are not intended to take

⁴ The Budget and Finance Committee is the main Parliamentary watch dog. The Committee already makes an analysis of the budget and holds some hearings and is recommended to be more pro-active

⁵ The IFAC International Accounting Standards for the public sector

⁶ It is set out in the Policy Paper on Public Internal Financial Control in the Republic of Bulgaria, July 2002

⁷ Thus a Minister might delegate responsibility for IT purchases up to 1m leva to the Chief Secretary who would in turn delegate purchases up to 250,000 to the IT director who would delegate decisions up to 50,000 to a Head of Department who would delegate decisions on replacement parts up to 2000 leva to a junior expert.

power and accountability away from Ministers. On the contrary, they will increase accountability and give Ministers the time to focus on the strategic priorities.

Chief Secretaries already have an important role in financial management, ensuring compliance with legislation and approval of administrative expenditure. We intend to strengthen the role of the Chief Secretary for financial management and to improve the financial management system to ensure the proper functioning of internal financial control. We intend to introduce the requirement to maintain a clear written record of all financial decisions. For all major financial decisions the official responsible should provide written advice by proposing different options and recommendations on a decision. This would ensure compliance with the law and ethical standards and the "best value for money".

Internal audit

In 2001 a decision was made to set up a system of centralised internal audit rather than a decentralised model found in almost all EU Member States. The Public Internal Financial Control Agency (PIFCA) has made considerable progress in developing audit practices. The system is now largely based on laws and regulations. PIFCA has delegated auditors in all Ministries and most agencies and municipalities. The time has come to consider the next steps in the development of the system. Much of the work of PIFCA auditors focuses on the identification and punishment of financial irregularities. The next stage of work will require internal auditors to support responsible managers to strengthen financial control systems and to provide them with assurance that these systems are working effectively. It will be difficult for delegated auditors to fulfil this role while they are largely perceived as an independent check on compliance with financial regulations. We intend that PIFCA should retain central responsibility for the investigation of financial irregularities. As a consequence, PIFCA should be transformed into a central public financial inspection service that has a high degree of independence from individual Ministers and Heads of Agencies. Individual auditors should have an impartial, unbiased attitude, characterised by integrity and an objective approach to their work, and avoid conflicts of interest.

Financial management and audit policy

In 2004 responsibility for the development of financial management policy was transferred from PIFCA to the Ministry of Finance. We intend to strengthen the capacity of the responsible unit in the Ministry of Finance.

Efficiency and Effectiveness

Units providing services to citizens and businesses often have poor accommodation or not enough people or computers. There is often confusion between the responsibilities of different organisations particularly between the roles of deconcentrated structures. There is inconsistency between the rules and procedures set out in different laws and regulations. We intend to tackle these problems in a conscientious and systematic way.

A start has already been made. In 2004, functional reviews of 7 Ministries and 6 municipalities were carried out with the support of an EU project. These reviews identified the functions undertaken and made recommendations for restructuring. The reviews found a wide variation in efficiency between different state structures. In many organisations new structures have been set up, particularly to implement specific EU requirements. Less progress has been made in closing down inefficient or redundant structures. A significant amount of resources still go to commercial activities - sports facilities, printing companies, construction companies, maintenance units, training centres and nearly 100 holiday bases. We intend to publish the results from the completed functional reviews and respond clearly to each recommendation. We have made a commitment to complete the functional reviews for all the other Ministries. To guide this work we intend to appoint a Chief Inspector in the Council of Ministers. The

Chief Inspector will have to develop a performance methodology, and plans for developing the role and capacity of Inspectorates. We propose the main activity of the Inspectorates will be supporting managers improve efficiency and effectiveness by advising on restructuring, outsourcing and privatisation.

The functional reviews will help organisations identify and focus resources on their core functions. Where functional reviews identify non-core activities these will need to be reviewed carefully and decisions made whether to stop the activity, transfer to another state organisation, privatise, or restructure. We intend to review carefully 5-10 major services during 2006.

We intend to reduce budget expenditure by stopping the funding of activities that are not directly supporting the implementation of top-level objectives and government policies. We propose to privatise remaining commercial activity undertaken by Ministries.

Work needs to be done in the following directions:

- To continue the process of introducing program budgeting and agree proposals for budget amendments with a wide range of stakeholders.
- To continue training of staff on financial management.
- To ensure alignment of the sectoral policies and the top level objectives for each Ministry.
- To introduce arrangements to stop the end of year rush in expenditure.
- To ensure that all major investment projects are reviewed and agreed centrally.
- To provide the National Assembly with better information and analyses on the budget expenditure to ensure better monitoring and supervision.
- To introduce a financial management system based on the delegation of control within a clear system that would ensure accountability.
- To strengthen the role of the Chief Secretary for financial management and to improve the financial control system in the light of the best European practice.
- To ensure that clear written record, including a financial dossier is maintained of all financial decisions.
- To ensure that functional reviews are undertaken and published for all remaining Ministries during 2005.

The Public Service

The Constitution stipulates that state employees shall be guided solely by the law and shall be politically neutral. The preceding chapters explain that the role of state employees is to assist the duly elected government in formulating their policies, implementing decisions and managing the delivery of public services. State employees should conduct themselves with integrity, impartiality and honesty. They should give honest and impartial advice to Ministers and make all information relevant to a decision available to them. They should deal with customers fairly, honestly and courteously. They should ensure the proper, effective and efficient use of public money. They should not misuse their official position to further their private interests or those of others. They should not accept external benefits which would be seen to compromise their position. They should at all times act in a way to maintain the confidence of Ministers, the National Assembly and the public.

In the Strategy for the modernization of the public administration eight principles for good governance have been adopted. There is consensus on the need to strengthen implementation of these. The Strategy focuses on institution building and human resource management.

Eight principles for good governance:

Rule of law – governance and actions of the administration, ruled by the Constitution and the law.

Reliability and predictability – actions and decisions of the administration directed towards elimination of arbitrariness and leading to legal certainty

Openness and transparency – governance and administration, accessible for external monitoring and control

Accountability – clear defined rights and obligations of the institutions and accountability to the public that create conditions for transparency at all levels of state governance

Effectiveness – governance that guarantees successful achievement of the strategic objectives and resolution of the problems of society

Efficiency – governance that maintains good ratio between the resources used and the results obtained

Partnership – national policies formulated with the wide participation of the social partners, representatives of the private sector and the civil society

Coherency – strict internal logic and interrelation of the formulated national policies that makes them understandable for the public

Our vision is for a professional, politically-neutral state administration, where staff are recruited on the basis of their professional qualities and competencies after an open competition procedure. A state administration which efficiently serves the needs of the citizens, businesses and the political government of the day.

Institution Building

In the last few years a number of major changes have been introduced to create the foundations for the public service. The persons employed in the public sector are currently around 200,000 people. This includes the State Administration, and others such as the military, teachers and doctors. The persons employed in the state administration are 81 000, and 28 000 of them have civil servants status. The State Administration comprises 512 structures - 220 central administrations, 28 regional ones and 264 municipal administrations. All these administrations now have rules of procedure defining the functions of their units and the number of staff.

The law for amendment and addition to the Civil Servant's Act considerably improved the legal framework for the civil service by expanding its scope, introducing a compulsory competition for entering the civil service, merit-based career development, pay linked to performance, regulating mechanisms for avoiding conflict of interest, introducing rules and principles for ethical conduct of staff in the administration. In implementation of the law unified requirements were introduced – completed education degree and professional experience for each position in the administration, and the competition process was set in detail in order to homogenise the rules for recruitment of staff.

In the last two years everyone in the state administration has agreed their personal annual objectives with their line managers and has been appraised on the basis of their performance against these objectives. The pay system has been substantially revised and pay depending on the individual performance assessment has been introduced. Career growth of civil servants is based on achieved results from work, where assessment again plays an important role.

Within the State Administration a Civil Service has been established whose members have clearly defined public service duties and terms of employment, and arbitrary dismissal for political reasons is now limited. Ethical norms for all staff in the administration have been introduced through a code of ethics for all civil servants.

The mandatory competition for recruitment of all civil servants was introduced and implemented successfully in 2004. We are proud of this important achievement.

Information is published in the *Register of administrative structures and of the acts of bodies of the executive* on the vacancies in the administration – both on civil service contracts and labour contracts. The announcements for the competitions which contain all the information about the position and the requirements to candidates also have to be published on: <http://www1.government.bg/ras/>. The appointing body nominates the participants in the selection committee. The committee ranks candidates according to their professional and business skills and puts forward three top candidates to the appointing body to make the final decision. A total of 2467 competitions were held in 2004.

Despite these achievements the Public Service is not subject to the same management principles. Since it supports various bodies of the state power, there is a variety in status and development level. The public remain sceptical about the professionalism and political neutrality of civil servants. In order to raise public trust, it is necessary to efficiently apply the competition principle in recruitment and to strengthen the management of the public service. What still needs to be done is to introduce the general principles of civil service in the performance of all staff who support the bodies of state power in order to have a homogeneous public service in Bulgaria.

Commission for the State Administration

An important factor in the public service reform is the successful implementation of the legislation which regulates it. It is a good idea to establish a Commission for the State Administration. It will be an advisory body whose primary responsibility will be to oversee the development of a stable, efficient, effective and politically neutral state administration, to oversee the application of the appointment of staff in the administration through competition. The Commission may:

- Advise the government on steps that should be taken to ensure the development of an efficient, effective and politically neutral state administration
- Consider significant proposals from the government for amendments to the laws and regulations of the state administration;
- Monitor the development of the state administration;
- Oversee the application of the regulation for competitions and the audit of recruitment policies and practices within the state administration paying particular attention to the appointment of Chief Secretaries;

- Make recommendations to ensure that appointments are made on the basis of fair and open competition;
- Advise and make recommendations to the government relating to the selection and recruitment of public servants and issues about behaviour and ethics raised by public servants which cannot be resolved through internal procedures;
- Inform the political parties represented in Parliament, business and civic organisations of the work of the administration and seek their views on policies related to administration reform;
- Submit an annual report to the National Assembly, and make such additional reports as requested by the National Assembly.

The proposal will not change the fundamental responsibility of Ministers (and other Heads of administrations) for the management of their Ministries and their accountability to Parliament for the conduct of these responsibilities. We propose that the Commission shall consist of twelve members drawn equally from nominees of political parties, business and civil society, and senior civil servants. We propose that the political representatives shall be nominated by the National Assembly from the four largest political groups. We propose that the President should nominate independent persons with credible management experience from business and civil society. We propose that senior civil servants should elect their representatives.

The Commission will be a permanent body and its members will meet once a month or when necessary. They will only receive remuneration for the time they meet and will be able to hold other positions.

Management through teamwork

Citizens have the right to expect Ministers to provide political leadership to establish the vision for the development of the public service. Ministers should expect and require senior public servants to be involved in implementing that vision. This challenge should rest clearly with the senior civil servant in each administration. With the amendments of the Administration Act, Chief Secretaries are responsible for planning and achievement of objectives, personnel management and administrative service delivery. As the most senior official in the Ministry, the Chief Secretary should stand at the apex of a pyramid of policy and financial management. The Chief Secretary should be the Minister's most senior professional policy adviser, accountable to the Minister for the performance of the Ministry, its fulfilment of objectives and its use of resources.

The objectives of the administrative structure are implemented through the activity of the Directorates. Therefore the Council of Directors should carry the responsibility for implementing Ministries' plans and creating an effective, efficient and politically neutral state administration by setting out clear strategic plans and ensuring effective internal communication. In this direction it is necessary to encourage and improve teamwork in the management of the administration.

The Chief Secretaries of Ministries should also form a team which would carry out measures for implementing the public administration reform by taking stock of progress, informing the Minister of State Administration of the problems and advising on possible solutions.

Human resource management

The public service is an organization made up of people. They are our most valuable resource. The Government can adopt strategy documents or pass laws but it is individuals who can realise this vision through their actions every day.

We have made important progress in establishing Human Resource units in every administration. These units will become increasingly important, no longer focusing on the traditional tasks of processing documents and setting procedures, but taking responsibility for ensuring that people with the right skills

and experience are in the right place at the right time to deliver the administration's strategic objectives. In order to realise this goal it is necessary to significantly strengthen personnel units in each administration and the central unit in the Council of Ministers responsible for personnel policy across the public administration. By the end of 2005 a medium term strategy will be adopted for the implementation of human resource management system that will be supported by a strong, centralised Information system.

Recruitment and dismissal

The competition principle is compulsory in recruiting civil servants. There are still administrative structures which are part of the state administration but the recruitment of their staff is not preceded by competition. Steps need to be taken to apply recruitment through competition to appointments on labour contracts which, by force of explicit regulations do not apply the civil servant's status. What remains to be done is to make an analysis of the application of the competition process across the public sector and to consider the possibility of introducing centralised recruitment for the junior expert position. At the same time we need to address the problem of poor performance. There are procedures for dismissal of civil servants and these should be used to deal with persistent poor performers.

A senior civil service

Our system of recruitment discourages state employees from applying for positions in other administrations. Very few members of the state administration move from one Ministry to another during their careers. We therefore lack senior managers with the broad range of experience that is useful for dealing with complex cross-cutting issues such as tackling narcotics, environmental pollution and unemployment. It is necessary to introduce mobility for senior civil servants during their career by providing equal opportunities for taking management positions in the public administration .

The system of promotion values level of education, rank and professional experience. This encourages civil servants to study for academic degrees, become narrow experts and to build up a record of service in the state administration. These are valuable attributes but are no guarantee of leadership or management ability. Senior civil servants need to demonstrate broader leadership and management abilities, such as:

- Leadership
- Ability to get the best from staff
- Ability to deliver results
- Capacity for strategic planning
- Personal impact and ethics
- Ability to learn, develop and respond to new challenges

The establishment of a promotion system that ensures that all senior civil servants have these skills will contribute to this. Good European practice shows that assessment centres are the most reliable way of selecting senior staff with management and leadership potential. The introduction of an assessment centre will be piloted to select existing civil service managers for an EU funded development program. This assessment centre can make use of results from round table discussions, exercises, interviews, psychometric tests and other selection methods. Managers completing the development program will become part of the new senior civil service. It is envisaged that all new civil service managers should be appointed through the assessment centre and take part in the development program. Thus, over time, we will reach the situation where all civil service managers will have been selected through the assessment centre and have taken part in the management development program. When this is achieved, members of the senior civil service would move to another appointment if their particular job were cut.

In the short term, specific support will be provided to Chief Secretaries to help them develop as leaders and managers.

When establishing selection commissions for Chief Secretaries it is necessary to introduce a mechanism to ensure the professionalism of the selection commission. It will include independent members, who are experts with the relevant management experience. It is important that the commission should be seen to have selected the best candidate for the job without political or personal patronage.

Pay

European practice suggests that civil servants should expect to be paid around 70% of the equivalent pay in the private sector. This difference is perhaps due to the greater job satisfaction that comes from working in the public sector and the greater job security. Pay linked to individual performance has been introduced for all employees. In addition, some Ministries run bonus schemes that can significantly increase the pay of selected civil servants. This creates significant pay differences between similar positions in different government agencies and can prove to be a hindrance to introducing mobility. A review is to be made on the way these models have worked and they are to be gradually brought together within a single central system. That will mean employees in all Ministries will have equal opportunities to get bonus awards. It is also necessary to look for opportunities for raising the salaries in the public administration.

Training

The Institute for Public Administration and European Integration was set up in 2000 as the national institution for providing training to civil servants. The Institute carries out mandatory training for newly recruited civil servants and senior managers. An overall strategy for training staff in the public administration has been adopted and all administrations are required to draw up annual training plans. 0.8% of the annual salary budget is allocated to training.

Training is investment in people. Two new major training initiatives are about to start with EU support. The first initiative will be the management and development programme for senior civil servants. The second initiative will provide increased training in areas important to the implementation of EU law. This training will be largely delivered in the regions. In many cases it will enable technical staff in inspectorates or in municipalities to update their skills. The Institute will need to work with responsible administrations to identify training needs, develop training plans and design curricula. The Institute will need to advise on the allocation of funds to support programmes to meet these requirements. In order to help the Institute manage these initiatives it is necessary to significantly strengthen the link between the Institute and its customers by setting up a management board. Investment in training needs to rise significantly over the next few years towards the EU average which is around 5% of the salary budget.

Non discrimination

In order for Bulgaria to realise its full potential it must draw on the talents and experience of all people. This means that the equal opportunities policy needs to be implemented vigorously to ensure that the employees of state administration broadly reflect the structure of our society. It is planned that information will be collected on the representation of minority ethnic groups, persons with disabilities, men and women within the state administration. This will become the basis for decisions on what steps need to be taken to ensure equal access to the public administration.

Work needs to be done in the following directions:

- To establish a Commission for the State Administration as an independent advisory body whose primary responsibility will be to oversee the development of an efficient, effective and politically neutral state administration, and to oversee the appointment of staff through competition. To establish a unified system for managing human resources that will include the selection, career growth, performance assessment, planning, mobility and motivation of staff.
- To strengthen personnel units in each administration and the central unit responsible for personnel policy in the Council of Ministers.
- To analyse the need to introduce central recruitment for junior experts.
- To introduce a mechanism for implementing a transparent process for selecting Chief Secretaries that will ensure the professional qualities of the selected applicants.
- To take measures to ensure the homogeneous application of competitions for all positions in the administration supporting the implementation of the mandate of bodies of state power.
- To introduce general principles of public service in the performance of all staff who support the bodies of state power in order to ensure a homogeneous state administration in Bulgaria.
- To develop and implement projects that aim at improving the management of the administration through training.
- To introduce mechanisms for teamwork management of the administration
- To establish a promotion system that ensures that all senior civil servants have leadership and management skills.
- To take measures for raising the salaries of staff in the administration.
- To establish major training initiatives or management and EU related training.
- To significantly increase investment in training over the next few years towards the EU average which is around 5% of the salary budget.
- To collect information on the representation of minority ethnic groups, persons with disabilities, men and women within the state administration.

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