

Strategy for Public Administration Reform

Description and status of the document:

Purpose of the document:

Ministry of Public Services, based on the work of the Group of Experts for Public Administration Reform – GERAP, including also government officials and civil society, submits to the Kosovo Government the Strategy for Public Administration Reform (SPAR), for a 5 year period (beginning in 2007).

SPAR provides an overall analysis of the current situation and proposes reforms in eight strategic areas which would improve the efficiency and effectiveness of the Public Administration.

Description of the document:

The document identifies the existing policies and strategies in public administration and recommends eight strategic areas where improvement would have an important impact on the Government and citizens. The eight strategic areas that need to be addressed by the Government are: human resources management, institutional structure, communication with the citizens, management in public administration, e-Government, financing of public administration, anti-corruption, and policies and legislation.

The detailed Action Plan, developed separately, gives a full overview of all actions that need to be carried out in order to meet the eight strategic objectives. The Action Plan also identifies the leading institutions, the budget requirements and the timeline for the implementation of every action.

Document: **STRATEGY FOR PUBLIC ADMINISTRATION REFORM IN KOSOVO,
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Strategy for Public Administration Reform

ACRONYMS

EAR	European Agency for Reconstruction
AEI	Agency for European Integration
PA	Public Administration
EU	European Union
KCB	Kosovo Consolidated Budget
DCSA	Department for Civil Service Administration
DFID	Department for International Development
eSEE	electronic South Eastern Europe
KSI	Kosovo Statistics Institute
IMF	International Monetary Fund
GERAP	Group of Experts for Public Administration Reform
MPS	Ministry of Public Services
KPAI	Kosovo Public Administration Institute
IPA	Instrument for Pre-membership Assistance
PISG	Provisional Institutions of Self-Government
KIOB	Kosovo Independent Oversight Board
SPAC	Senior Public Appointments Commission
MEF	Ministry of Economy and Finances
EPAP	European Partnership Action Plan
PIP	Public Investments Program
PAR	Public Administration Reform
SIGMA	Support for Improvement in Governance and Management
KDSP	Kosovo Development Strategy and Plan
PARS	Public Administration Reform Strategy
ICT	Information and Communication Technology
UNDESA	United Nations Department for Economic and Social Affairs
UNDP	United Nations Development Programme
UNMIK	United Nations Mission in Kosovo
USAID	US Agency for International Development
OGA	Office of General Auditor

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1. Executive Summary

It has been assessed that public administration reform in Kosovo is a necessary and constant need despite the government institutions in Kosovo being still under consolidation. Public administration reform is considered a continuous process not only in Kosovo but also in countries with a developed and advanced administration.

The Public Administration Reform (PAR) is undertaken through the implementation of the Strategy for Public Administration Reform (SPAR) and the Action Plan. These two documents, which are the key guidelines for the reforms process in the short-term and mid-term period, were developed following a comprehensive analysis of the current state of public administration in Kosovo. Such an analysis and the Strategy and the Action Plan were developed by the Group of Experts for Public Administration Reform (GERAP) which is mandated by the Government. GERAP consists of experts of various fields and with backgrounds from various groups of interest, be it from the government, civil society and with the assistance of the donor community in Kosovo.

The public administration reform constitutes the need for launching a very large number of activities and for including a very broad spectrum of public administration structures. This reform does not envisage radical measures and changes. It has been assessed that at this point of the development of our country, the reforms process will cover only certain areas of administration which would then reflect positive changes toward the achievement of strategic objectives. Therefore, as part of the Strategy and the Action Plan, programs have been selected which will be a priority in the implementation of the reform regardless of political changes in the country. It has also been assessed that changes of circumstances as a result of the statebuilding process in Kosovo will not have an impact on the implementation of priority programs.

The public administration reform is focused on eight strategic areas whereby the results achieved will have an important impact for the institutions and citizens. Based on the analysis of the situation in the eight areas were built the general frames and concrete programs that will be implemented as part of the reforms process. The eight areas are: human resources management, organizational structure of institutions; communication with the citizens; public administration management; e-government; financing of public administration; anti-corruption; and policies and legislation.

The text of the strategy lays out the methodology for its development, the strategic objectives in the eight areas of reform and the vision and mission. It also explains the main reasons behind public administration reforms, some of which are: the creation of conditions for an effective, transparent administration that is open to the citizens, uncorrupted, depoliticized and with minimum costs. Then comes the implementation of the needs of citizens and the fulfillment of international obligations, the amendment of the legislation for a functioning administration and the creation of conditions so that the administration can use the latest technology that enables better government. Moreover, a reformed and properly developed administration is one of the preconditions which makes possible fulfilling the requirements for Kosovo's membership in the European Union. This exploits the opportunity for building absorption capacities for using the instruments which are offered by the European integration process in our country.

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During the development of the PAR Strategy and Action Plan other existing strategies were taken into consideration. In this regard, one can especially point out the connection with the Kosovo Development Strategy and Plan (KDSP) and the European Partnership Action Plan (EPAP), the Anti-corruption Strategy and Action Plan, the Mid-Term Expenditures Framework 2006-2008, the annual plans of budget agencies, etc. This has helped create compatibility between the aforementioned documents which contributes to the development and harmonization of the Government's priorities that derive from various areas and strategies. This facilitates an easier future fund-raising for activities in the Public Administration Reform process.

A special chapter has identified potential barriers to the implementation of reform as well as actions that will minimize such barriers and at the same time maximize the reforms effect.

The Government will supervise the implementation of the reforms process, and mechanisms will be set up to ensure that the process moves forward, to coordinate, report and ensure the involvement of all stakeholders. This includes the establishment of an inter-institutional coordinating and reporting body, whilst the leading role in the coordinating the implementation process will rest with the Ministry of Public Services, namely with the Department for Civil Service Administration the capacity building of which and the adjustment of its mandate will be made as required.

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2. Introduction

Regardless of the political, social and economic achievements since 1999, the development of public administration in Kosovo has been delayed in comparison to the progress of other countries in the region, due to the severe social, economic and political history; low capacities and fragmented actions by government and non-government bodies, international and local authorities.

Despite previous analysis of public administration in Kosovo and despite firm recommendations so far no initiative has produced concrete action. Nonetheless, while exposure to novelties from abroad, to technical assistance and trainings in the area of public administration was very limited, one can clearly notice the good will and commitment of political decision-making level in Kosovo to make changes that lead toward improved services by public administration.

Public administration reform and advancement is considered a necessity to meet the current requests and moreover to fulfill the obligations of creating a democratic state, so that it can provide efficient services to its citizens and be able to meet the current and future international obligations.

The will and commitment for such reform has resulted with the initiative of the Ministry of Public Services (MPS), and the support of the initiative by the Government of Kosovo to develop the public administration reform strategy with a broad participation of all stakeholders. This complex task has been entrusted to the Ministry of Public Services, which has developed the implementation project for the development of strategy and has set up the Working Group for Public Administration Reform (GERAP) and the Inter-Ministerial Group for supervising the work of GERAP and for coordinating activities in this area. Despite the technical assistance from abroad, the Public Administration Reform Strategy has been developed by local experts including experts from public administration institutions and experts from civil society. In addition to this, the action plan for implementing this strategy was developed with the active participation of a large number of civil employees of all levels from all ministries and other budget agencies.

The development of the PAR strategy aims to build in a mid-term period a professional and depoliticized administration (with an excellent organization of institutions that comprise it), transparent and open to the citizens, with a qualitative management, uncorrupted, and all with minimum costs.

The highest political level of government will have the key role in meeting the strategic objectives laid out by this strategy. The achievement of these objectives during the implementation of reform must at all times be at the proper level of the Government's political agenda, regardless of eventual political changes in the future. Nonetheless, a key role in launching and achieving a successful reform and for maintaining the continuation of this process lies with the commitment of the senior management in civil service and with all levels of public administration.

3. Previous Analysis and Reports on Public Administration in Kosovo

There have been several previous analysis and reports on public administration in Kosovo. In 2003, UNDP has published a report on the situation of the public administration at the central and local level. In June 2003, a team from UNDESA drafted

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a project document for discussion on public administration. In April 2005, UNDP published the report on the Assessment of Administrative Capacities in Kosovo, which had reviewed the abilities of the PISG at the central and local level as well as the police and judicial sector.

These and other reports were analyzed, discussed and taken into consideration during the development of this Strategy.

4. Methodology Used to Prepare the Public Administration Reform Strategy

The Public Administration Reform Strategy was developed in several phases. The first phase that preceded the drafting of the Strategy was the identification of areas of reform, the development of the SWOT analysis (strengths, weaknesses, opportunities and threats) and the drafting of the report on the current state of public administration. The report was drafted by the Group of Experts for Public Administration Reform (GERAP). Over a nine-month period, this group held a series of workshops, followed by numerous meetings with interested parties with the aim of identifying the key issues.

During the preparations phase, the Public Administration Reform Strategy was foreseen to include bodies of central and local public administration and other bodies dependent on them.

Moreover, eight areas were designated (separated into five groups) which should be at the focus of the strategy development, as following:

Group one:	Human Resources Organizational structure of institutions Communication with citizens Management in Public Administration
Group two:	E-government
Group three:	Financing of public administration
Group four:	Anti-corruption, and
Group five:	Policies and legislation

Five sub-groups of experts were set up in order to facilitate the work of developing this strategy, and they prepared critical analysis of the situation of each of these eight areas, and suggested solutions for the existing problems.

Each of these sub-groups has gathered data, discussed the existing material and did necessary research. The main sources of data were the public documents and reports by the PISG, UNMIK, UNDP, KSI, and donors that supported public administration projects. In their work, the sub-groups consulted other experts and interested parties, and drafted detailed reports for every area of reform.

After the designation of the vision and mission of public administration reform and the logical framework for this reform, there were developed eight strategic objectives based on the areas of public administration reform, objectives that need to be achieved through this strategy. Moreover, during this phase were determined the success indicators for every area and the key activities that insure achievement of the outlined objectives.

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The second phase consisted on drafting the Strategy itself and the Action Plan for the implementation of the Strategy. The drafting of these two documents was based on the report on the current state and mainly on the logical framework which laid out the strategic objectives.

While drafting the plan for the implementation of the strategy, meetings were held with all respective institutions and concrete actions were identified, the implementation of which will meet the strategic objectives of the Public Administration Reform Strategy.

In addition to this, there are analyzed and compared the experience of countries in the region and best European practices in the process of the PAR were considered.

5. Why public Administration Reform?

The goal of the Public Administration Reform Strategy is by defining strategic objectives and concretizing them with certain actions, to create public professional and depoliticized administration (with an effective organization of institutions that comprise it), transparent, open to the citizens, managed in a qualitative fashion, uncorrupted, and all this with a minimum cost. The public administration must at the same time be in a position to meet the requirements that derive from international agreements especially requirements from the status agreement and those from the European integration process.

A reformed and properly developed public administration is one of the requirements to meet the EU membership criteria for Kosovo and this also creates the opportunity for building capacities to push this process ahead and to prepare the absorbing capacities for using the opportunities that derive from the European integration process in our country. The public administration reform in Kosovo was explicitly requested by the European Commission communiqué "A European future for Kosovo" published in April 2005. One must also keep in mind that Public Administration reform especially meets one of the priorities of European Partnership, a document which at this point is the basic framework for meeting the requirements of the European integration process for Kosovo. Therefore, progress in public administration reform and advancement is constantly supervised by the European Commission and is evaluated in annual reports and other relevant mechanisms.

The establishment of proper institutional organizational structures and the functioning of the entire system of administration can be done if there is a completed and applicable legal framework preceded by well-designed policies and a clear strategic planning by the relevant structures within the Government.

The accurate implementation of the Public Administration Reform Strategy implies also the establishment of mechanisms that enable the fight and prevention of corruption, which is a requirement for building a responsible and transparent administration and a greater and constant access by citizens on public administration in Kosovo.

The financing of the work of public administration in Kosovo must be looked from the perspective of the possibilities allowed by the Consolidated Budget of Kosovo. For this

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reason, bearing in mind the well-known limitations within the KCB, it is necessary to create a functioning, effective and efficient public administration with as less budget expenditures as possible.

6. Vision and Mission of the Public Administration Reform

The long-term vision for the reform of Public Administration can be formulated as follows:

Kosovo [is] a democratic country, integrated in Euro-Atlantic structures, with a modern public administration that enjoys the trust of citizens and ensures the efficient implementation of the role of the state in line with the law and supports the overall development of the country.

Based on the long-term vision, the mission for the mid-term period can be:

A professional, transparent and responsible Public Administration based on merits and which meets the needs and requirements of the citizens and institutions.

7. Strategic Objectives

Eight strategic objectives have been designed to achieve the overall goal identified by the vision and mission of the public administration in Kosovo and these areas are in full compliance with the areas of reform.

Below are the eight strategic objectives:

1. A depoliticised and professional Public Administration, developed based on the best European policies and practices for human resources management
2. An effective horizontal and vertical structure and organization of PA institutions in compliance with their competencies
3. A qualitative, transparent, effective and accountable management of setting out and achieving goals
4. An effective and mutual communication with the citizens, as a comprising part of the process of policy development and services provision
5. E-Government in the function of advancing processes of work within PA and providing services to the citizens, institutions and businesses
6. A functioning, effective and transparent system of planning, management and supervision of PA expenditures
7. A functioning system for preventing and fighting corruption, as well as of growing responsibility in PA
8. Advancing the development, approximation and implementation of policies and legislation in line with EU standards.

8. Mechanisms for Coordinating and Monitoring the Implementation of Reform in Public Administration

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8.1 Inter-ministerial coordinating mechanisms

Monitoring the implementation of the Strategy is done through the implementation of the action plan with which the strategic objectives were translated into concrete, clear and applicable activities and tasks that will be met in specific timelines designated by the competent institutions.

The activities identified in this plan have to be incorporated as soon as possible and wherever possible in the working plans of the institutions, and their implementation must be regularly monitored by the mechanisms that are already in place for carrying out daily tasks and implementing the mandate of budget institutions/agencies.

Moreover, in order to ensure the success of the implementation of reform in PA it is necessary to have special institutional mechanisms that will directly be in charge of coordinating, monitoring and reporting on the progress of reform implementation. However, in this respect one must be careful to avoid institutional and functional overlapping.

When we talk about the mechanisms and processes linked to Public Administration Reform we have in mind the fact that this reform is part of the European Partnership for Kosovo. With its implementation, the Government will not only meet the need for building functioning institutions and to serve the citizens and institutions in the best way possible, but will also fulfil a task in advancing the European integration process in the country.

The implementation of obligations from the European integration process is a continuation of the process for the implementation of Standards for Kosovo; therefore, the process of coordinating, monitoring and reporting these obligations has been built on the experience and mechanisms that have already existed for monitoring these standards for Kosovo. Nonetheless, an increased volume of such tasks required by the European integration process rests on the building of new mechanisms and adapting them continuously throughout the process.

In October 2006 the Government made the decision¹ to set up nine new working groups (in addition to the existing working groups for standards) that are in charge of coordinating, monitoring and reporting the implementation of priorities of European partnership that are not tied to the standards.

The coordination of work in implementing the action plan for the Public Administration Reform requires the creation of a new working group according to the model of groups of European Partnership Action Plan for the implementation of priorities linked to the *Acquis*. The composition and functioning of this working group will adapt to the requirements and obligations that derive from the Action Plan for the implementation of the Public Administration Reform², in the mean time the reporting and monitoring the PAR implementation remains part of the regular reporting of the European Partnership Action Plan both within the internal mechanisms of the Government as well as the

¹ Decision Nr. 02/210 of 09.08.06 on the functioning of working groups for *Acquis Communautaire*.

² Government's decision to establish the working group for coordinating the implementation of public administration reform will be complemented with the procedural rules that regulate the functioning and composition of the working group.

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regular reporting that is made to the European Commission. To ensure internal functioning for the needs of the working group for PAR, there will be established sub-working groups according to areas, while the appointment of the heads of the sub-groups is linked to the mandate of one of the ministries with the specific area of the sub-working group.

Like each working group of the European Partnership Action Plan, a ministry or budget agency in charge to lead the process of coordinating and reporting the implementation of relevant tasks of the European Partnership Action Plan. In the event of the implementation of PAR, it is natural for the Ministry of Public Services, namely the Department for Civil Service Administration to be the leader of this process.

8.2 Central Coordinating and Reporting Mechanisms

The Department for Civil Service Administration will be the central institution for managing, coordinating and reporting the progress of the implementation of public administration reform. In fulfilling this task, the Department will cooperate closely with all ministries and institutions that will implement the actions identified in the action plan for reform implementation. It will do so among others through the inter-ministerial working group, and in reporting the progress achieved it shall cooperate closely with the Agency for European Integration.

With the Department's obligation to coordinate the implementation of PAR, an opportunity is created for this department to fulfil its mandate and at the same time avoiding the burden of having to set a new institutional body. Nonetheless, it is believed that the current capacities within the Department are limited to accomplish such an important, comprehensive and complicated task such as spearheading the public administration reform process. Therefore, in order to accomplish this task, the Department absolutely needs intra-department capacity development including here the technical assistance from consultants over a certain period of time.

In order to lead the PAR, the Department must have:

- a proper internal structure to accomplish the tasks that derive from the process of coordinating the implementation of PAR;
- a sufficient number and quality of staff,
- the political backing of the Ministry of Public Services and the Government to accomplish this task;
- the right mandate and authority to take forward the process of reform implementation

9. The Connection of the Strategy and the Implementation Plan for Public Administration Reform with Other Strategic Documents and Action Plans

The implementation of the Government's strategic policies is possibly only by a functioning, effective and responsible administration that is able to serve the citizens and institutions of Kosovo. The administration reform serves to achieve the objectives of the overall political and economic development of the country. Therefore, the process of

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drafting and implementing the public administration reform in Kosovo is fully in function and correlated with the development of other strategies that were or are being developed. This especially has to do with the development and implementation of the Kosovo Development Strategy Plan (SPAR and KSDP): SPAR aims at the advancement of public administration, whilst KSDP is a guideline and general framework for the country's development including the public administration. Therefore, these two documents have been developed and constantly aim at being implemented in correlation and hand-in-hand with one another. Thus, the programs and projects identified and developed by PARS and KDSP will serve to find the financial assistance which is expected to be the pledge of a donor conference.

Earlier on, we highlighted the importance of PA reform within the European integration process part of which is the implementation of the European Partnership for Kosovo. Therefore, in order to contribute to this highly important process for the country's political and economic development, to ensure a successful transition and the European orientation of the state system, all strategic documents must be compatible to EU standards and legislation. Many of the European Union's requirements laid out in the European Partnership Action Plan are correlated to activities of the public administration reform. Obligations of the European Partnership were taken into account during the development of the Public Administration Reform Strategy and wherever possible were incorporated in the action plan of the Public Administration Reform.

During the development of the strategy for Public Administration Reform and the plan for its implementation, were taken into account other strategies and other plans of action (for example, anti-corruption strategy and action plan, the Mid-Term Expenditures Framework 2006-2008, annual plans of budget agencies, etc) and in this way consistency has been achieved.

One must bear in mind that after the resolution of Kosovo's status, the need for an effective and efficient public administration will be a key for the future of Kosovo. Therefore, the implementation of documents regulate the status of Kosovo will require from the administration to ensure additional functions and to take over more competencies, which is achieved through administration reform.

10. Financing of the Reform Program

Many activities and actions laid out in the action plan for Public Administration Reform are part of the daily activities of institutions that implement this strategy and plan of action. Such actions are incorporated in the budget planning for financing public administration and as such do not require additional budgets except for the Kosovo Consolidated Budget or eventually seek other minimal budget resources for their implementation.

A category of activities and actions within the action plan are directly related to the priorities and actions of the Action Plan for the implementation of European Partnership and as such cannot be incorporated in the budget planning of the financial assistance that the EU offers to Kosovo through the Instrument for Pre-Accession Assistance (IPA). This category can also include other numerous programs that are part of other plans and strategies and which already enjoy the support of various donors.

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A number of actions and measures that are not included in the abovementioned category will require high expenditures whilst their financial source has not been identified yet. Therefore, as part of the work in implementing this strategy and plan of action one must also design and develop certain programs that might be financed by potential donors. The financial source of such programs is expected to be addressed in an upcoming donor conference.

11. Timeline for Reform Implementation

The strategy for public administration reform includes a short-term and mid-term period (the period 1-2 and 3-5 years). Having in mind the general context of our current situation and the upcoming changes that can result in the transfer of all competencies to Kosovo institutions, as well as the certain specifics that will emerge after the end of the status resolution process, it is foreseen that the largest part of activities identified in the strategy implementation plan will focus on the implementation of certain measures during the first two years of the document's approval, namely in 2007-2008. Therefore, in order for the public administration to be able to adapt to these circumstances and to meet the obligations that derive from these processes, it is foreseen that the strategy implementation plan will be reviewed and adapted regularly.

12. Key Risks and Obstacles for Making Changes

All programs for reform or changes in any major organization, including even public administrations, can be stopped, delayed or derail from meeting their objectives due to the emergence of a series of obstacles. To ensure success in the required improvement of public administration in Kosovo, risks or obstacles have been identified. Moreover, there need to be certain strategies and plans to absorb or eliminate their impact.

This Strategy includes recommendations and measures that need to be made by the respective institutions with the aim of maximizing the potential for the successful implementation and by minimizing the possible obstacles.

Under every identified obstacle there are also actions that need to be made in order to avoid such obstacles.

12. 1. How Big a Political Priority is Public Administration Reform in Kosovo?

Experience in many countries has shown that a successful implementation of the public administration reform depends also on whether PAR is a priority in the Government's program, and whether it remains a priority over a several-year period. It is not clear if this is the case in Kosovo.

Bearing in mind the need for a constant continuation of reform over a period that includes the mandate of more than one government, this reform should be at the top and remain a priority in the programs of all political parties, especially due to the requirement of the EU.

Actions to minimize such obstacles – In this case all information deriving from this process must be disseminated to the relevant political parties in the Kosovo Assembly.

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The Government should have a mechanism that gives him the executive power to impose the implementation of the previously approved Strategy.

In addition, the public administration reform should be accepted by the political level of the Government and the reforms programs must be in line with the expectations of the political level. The focus on the implementation of special programs as part of the reform will stimulate the political level of the Government to engage in supporting the reform.

12.2 Small Number of Reliable and Skilled Managers in Administration

Even though the political level makes the initial move, the constant leadership of the entire reform process must come from the senior management level in PA, namely by the Permanent Secretaries/Executive Chief Officers.

However, it is not clear if all the managers of this level clearly understand their role in this process and if they are able to lead an all-government program such as PAR. This is a result of the fact that it is not clear if their management qualities have been taken into account during their selection.

Actions to minimize the obstacles – If need arises, the Permanent Secretaries/Chief Executive Officers of Executive Agencies must be empowered by a sub-legal decision or act to manage the process. The regulation through this act and the inclusion of obligations from the PAR process in the job descriptions of high level civil servants would formalize their obligations for the implementation of reform. (this paragraph will be reformulated).

If need arises, the Permanent Secretaries/Chief Executive Officers must be supervised by the respective ministers and create working groups similar to those for the implementation of Standards.

12. 3. Lack of Understanding of Processes of Change and Timelines

One can very easily underestimate paying enough attention and time to sufficient efforts and consultations at the level of all those that will be included in the proposed changes as part of the reform.

Moreover there can be unrealistic expectations about the pace of changes and the overburden of the initial initiatives, especially when there are numerous programs that require change (Status, KDSP, EPAP, PAR, etc).

In addition, the capacity for changes is traditionally poor; even if the pace of changes is slower than expected (which happens) there is a risk of pre-empting the failure of reform.

Actions to minimize the obstacles – Promotion campaigns must be developed throughout the process:

- Meetings of Public Consultations
- Sending e-mail messages to all PISGs
- Publication and distribution of materials
- Government portal to become operational

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12. 4. Lack of Culture of Mutual Institutional Cooperation

In order to have a professional civil service it is necessary to have systems, programs, processes and standards of accomplishing joint tasks (see SIGMA Guidelines).

Reform programs may often fail if the authorities in charge of their implementation feel a lack of ownership because they were not included in its creation – often referred to as “this was not discovered here” syndrome.

Although a large number of civil employees are involved in the inter-institutional working groups, the information, ideas and solutions are often not disseminated further.

Actions to minimize obstacles – to create the board of Chief Executive Officers of Agencies the same way there is the board of Permanent Secretaries. These boards must have the coordinating role to implement the PAR, an obligation that will be made official by a Government decision.

12. 5. Authority of the Ministry of Public Services as the Carrier and Leader of PAR Process

The success of the Public Administration Reform process depends also on the authority of the Ministry of Public Services, especially the relation and credibility among other ministries and agencies, so that this ministry can be accepted as the carrier and leader of the reform process. This authority, especially the authority of the Department of Civil Service Administration, will have an impact on the successful implementation of the reform.

Actions to minimize the obstacles – the Ministry of Public Services is appointed carrier of the implementation of PAR by a Government decision and capacities the DCSA are increased.

12.6 Fund Raising for the Reform Program and Keeping alive the Interest for Fund Raising

How high and long will be PAR Strategy be in the political agenda (see 1. above) will determine the financing be it from the Consolidated Budget of Kosovo (KCB) or from external sources (including donors).

Due to limitations that exist within the KCB, the effective competition for other financial assistance will be critical, with the aim of ensuring understanding, commitment and coordinated financial assistance from the donors community. It could be difficult to maintain the interest over a longer period of time.

Actions to minimize the obstacles – financing by donors, if secured, can be a very powerful tool for applying pressure on public administration and its commitment to implement the reform which is part of the requirements for European Integration.

13. Priority programs for Public Administration Reform

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The public administration reform, namely the fulfilment of strategic objectives bring about the need for an enterprise by a very large number of activities and for including a broad spectrum of public administration segments. The implementation of such a reform in the short-term plan could be a mission impossible. Therefore, it has been assessed that reform in this phase of our country's development will cover only certain segments of administration which would reflect positive changes toward reaching the strategic objectives.

Bearing in mind the immediate needs that have derived from the analysis of the state of public administration as part of all measures that need to be taken in the short-term and mid-term plan, priorities have been set within activities that require special focus in the short-term period of implementation of reform. The priority actions identified in the action plan will turn into concrete programs and projects the financing of which will require additional budget resources mainly from foreign donors. Nonetheless, such a prioritization does not imply that not enough importance is being given to the implementation of other activities and actions in the action plan. A detailed analysis of the financial cost of implementing the priority actions is a consisting part of this strategy (see attached supplement).

Below is a list of activities and priority actions as part of the Strategy and Action Plan:

1. Development and approval of basic legislation in the area of public administration
2. Development of a unitary accounting system in line with international accounting standards to secure the accurate recording of incomes and expenditures, and to train the personnel for using the system
3. Functional review of institutions and implementation of recommendations
4. Establishment of the Agency for Information Society
5. The development of the Strategy for Communicating with the Public, including the implementation of the Law for access to official documents and the identification of government services that can be offered through the Internet.
6. The functionalization of mechanisms that monitor the implementation of the legislation.

14.1 Key components for Public Administration Reform

14.1 Human Resources

14.1.1 Current Situation

There is the basic legal framework that regulates public administration but it is inconveniently divided into more than 100 legislative acts, therefore, it needs to be consolidated and complemented. Keeping evidence of civil employees and organizations is poor and needs to be reviewed; the various databases offer different data for budget organizations and for the number of civil employees. There is confusion of the titles of

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posts, ranks and level of salaries, which must be rationalized. The public institutions must have clear purposes and objectives, so that the appointment of civil employees is in line with these purposes and objectives. The recruitment of a large number of civil employees before the recruitment rules entered force, resulted in the recruitment of those that were fit for certain jobs, whilst now despite the clear recruitment rules the current practice is still considered influenced by politics.

There is a good legal framework for equal opportunities, however, it has not been adequately implemented and has led to the unfair representation of certain gender, ethnic and age groups and groups with limited abilities, especially in managerial posts.

The level of changing and replacing civil employees is between 10-15 percent a year. This situation further deteriorates due to the use of short-term contracts, which in fact violate the recruitment procedures. Salaries are low, it is possible to take sick leave, but there is no health insurance. However, an adequate pension system has been established (albeit not very transparent) and other working conditions match European standards. Recently, the Union of administration civil employees has been set up.

There is a scheme for the evaluation of the work of civil employees, but it is too complicated and is mainly treated as a formality even though it should be used as an effective tool to assess the strengths and weaknesses of civil employees. The subordinates do not have a mechanism for evaluating their superiors. Legal opportunities for career development are limited and as a result motivation is constantly low. Trainings are provided by KIPA, but the honed skills are rarely implemented in working places.

14.1.2 Expected Results

Within a short and medium-term period, the action plan provides a number of activities the achievement of which would ensure the gradual fulfillment of the objective in this area. Results that are planned in the area of human resources are:

- To create a unitary system of posts and salaries for the same work responsibilities across the public administration as well as the development of a proper performance system and the reporting system in civil service
- To finalize the strategy for training of civil employees.
- To functionalize a proper system for information management in civil service
- To respect the right for employment, career development in civil service, and the provision of specific conditions for people with special needs.

14.1.3. Priority Actions

Some of the actions that need to be treated as a priority in the short-term period in the area of human resources:

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1. Development and approval of the basic legislation in the area of public administration
2. Change of the system of ranks and salaries
3. Development of the strategy for training in public administration

Other actions envisaged in the action plan are:

Other legislative measures include: the development and approval of sub-legal acts for the implementation of laws in the field of civil service.

Institutional measures include: the establishment of a separate body for monitoring the implementation of the Law on Civil Service, the Transformation of the KPMK into a body that is elected by the Assembly, the establishment of a central unit for development and implementation of human resources policies, the establishment and development of the Unit for Impact Assessment of trainings in IKAP, etc.

Measures that need to be taken in other areas include: the development and implementation of training programs, the development of specific standards for the scope of the human resources unit, the activation of the webpage of human resources officers through the Government's webpage, the definition of working plans of budget institutions, determination of the individual working tasks in function of realization of the objectives.

14.2 Organizational structure of institutions

14.2.1. Current Situation

Central institutions have more or less the similar structure of organization, which is nonetheless different within certain ministries. The ministries in general have diagrams for the organizational structure, even though in numerous cases they have proved to reflect the current organizational structure of respective institutions.

There is a long list of titles that are used to identify the holders of working posts, but it seems there is no standardized nomenclature. There is no consistency in the organizational structure, when ministries are compared, and this reflects with an even bigger confusion with the use of terminology that outlines the sub-units of ministries or municipalities. What is called "division" in a ministry is called a "directorate", "sector", "office" or "unit" in another ministry, even though from the hierarchic point of view they are the same level. In municipalities there are different versions of denominations that are sometimes called "directorates", "inspectorates", "offices", "departments" and others.

The biggest problem however seems to be the overlapping of duties in some ministries. Even though the competencies of ministries are defined, the job descriptions of certain officials that work in the institutions are not clear. The situation is made even more difficult by ad-hoc decisions adopted by the institutions, which lead to inconsistency between legal acts which are often contradictory and in collision.

14.2.2. Expected Results

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The lack of a unitary system of institutional organization both at the level of the central administration and at the local level has resulted with an overlapped coverage of the same areas by more than one institution or even with ambiguities on who is responsible for what. Therefore, in order to shortcomings in the organizational structure of public administration in Kosovo it is expected that in the short-term plan we will have a unified and sustainable organizational structure in all institutions, both in the central and local level.

14.2.3. Priority Actions

In order to accomplish such results, the strategy implementation plan foresees the update of diagrams of all budget institutions before the start of the functional review of all institutions by experts supported by donors. This will also result in the implementation of recommendations from this overall functional review. Functional review in the short term is planned to be done on the institutions in the central level and afterwards in the local level.

14.3. Public Administration Management

14.3.1. Current Situation

Strategic planning in public administration has not developed yet and most of the institutions either articulate them without much content or they do not have their mission and objectives laid down. While the Government has its program, this institution itself does not act as a strategic body. The coordination of the central government's policies is not yet at an adequate level and there are rare ex ante or ex post assessments to realize the impact of the proposals or obligations coming out of the Government's program.

Supervision of administrative management mainly has a financial form and rarely focuses on the general outcome of the institutions. There are little or no quality assessments of public services provided. The financial audits are carried out through the internal Audit, who focuses more on the respecting of financial rules rather than on the effectiveness of the institutions, and the Office of the Auditor General, which has recently published some reports revealing a chain of the violations of the law. A small number of officials have been dismissed as a result of irregularities.

In the institutions of public administration, the culture of public accountability has not developed, and neither have the mechanisms to ensure it.

Political intervention in administrative decisions is an often complaint, and clashes between civil servants and political advisors are also frequent, although a positive development is noticed in this regard.

14.3..2. Expected Results

To achieve an effective and responsible qualitative managing in the short-term and mid-term period the public administration is expected to:

- Regulate the status of senior staff in the civil services,

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- Better plan achieving of the objectives set
- Establish an effective control system
- Continuously improve individual and organizational performance
- Motivate staff.

14.3.3. Priority Activities

In order to achieve a transparent, qualitative, effective and responsible management, through which to avoid the shortcomings found during the analysis of the situation, the following priority activities are to be undertaken to address the situation in the short-term period:

The establishment and the development of the senior staff structure in the civil service through a number of activities like; the definition of the senior staff category in the civil service will be done by a body established on *ad hoc basis*.

14.4 Communication with the public

14.4.1 Current Situation

Despite progress achieved in the communication of the public administration with the people and a gradual tendency for opening of this administration, the current situation analyzed in this report shows that there is still room for improvement.

The bulk of the criticism in terms of communication with the public can rounded up as follows:

1. Lack of information for the public regarding the services provided by the public administration, namely which department offers what services and which are the requirements to be met in order to get access to these services.
2. Lack of information on the functioning of the public administration and lack of practice of drafting and publishing reports dedicated for the public.
3. Lack of mechanisms to listen to and to collect suggestions and complaints of the people and furthermore the inconsistency of the public administration to treat these suggestions or complaints.
4. Lack of implementation of the Law for access to official documents.

14.4 2. Expected Results

In the area of communication with the public during the short-term and mid-term period the following results in the public administration are expected:

Establishing of an adequate public information system for administration activities and also for increasing the participation of the public in the process of drafting public administration's policies and legislation, and in increasing the efficiency of PA in addressing the requests of the people.

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14.4.3. Priority Activities

A series of political, legislative and institutional measures are proposed to reach the strategic objective through which the communication of the administration with the public would improve.

A priority action is the developing of the Public Communications Strategy which should also focus on ensuring the implementation of the Law on access to official documents, as one of the activities that will precede drafting of the legal acts in this area. Moreover, at least one official for communicating with the citizens should be appointed for every budget unit (but not necessarily an information officer). These officials would undergo specific and general training programs in the area of public relations. These activities must also be complemented with the designing and update of webpages by all budget agencies.

14.5. E- Government

14.5.1. Current Situation

Despite broad investments in TIK by the Government and donors, the lack of a common strategy and their weak coordination, has led to the lack of positive results in e-governing. This is also a result of a lack of coordination of activities between responsible ministries and of a lack of an inter-ministerial coordination mechanism for the implementation of the e-governing projects. Most of the government institutions at the central level are connected to the government telecommunications network be it through optical fibers or through micro-wave technology, but this system is not used sufficiently to increase the inter-governmental communication.

At the local level, there is application of the Intranet that was applied by the donors, but there is no connection between the government's telecommunications infrastructure with the central level because not all the municipalities have access to this network.

A variety of software applications with specific subjects are used throughout the ministries and agencies. Web-pages are used to offer some information for the public but there is an almost complete lack of interactive web applications. There is also a lack of a governmental Portal, through which to offer e-services by the public administration.

Access to the Internet by the people of Kosovo is only 17% - which is very low compared to European and even regional levels. However, increase of access to TIK will bring positive changes to public administration only if the staff and the public are trained how to use it. The EU strategy for E-governing offers a useful framework of services and success indicators on which the implementation of e-governing is based.

14.5.2. Expected Results

In order to get the best use of the IT in increasing government efficiency, in improving services for the people and to establish bilateral communication between public

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administration and the people, the following activities are expected to take place in the short and mid term period:

- Functionalization of a governing mechanism for coordination of e-Governing activities.
- Completion of e-Governing legal basis.
- Increase of the level of electronic communication within the administration, of communication with the people and offering of services for the people via Internet.
- Increased number of citizens with access to the Internet.

14.5.3. Priority Activities

Priority activities in the area of e-Government consist of following activities:

1. Review and implementation of policies for software, hardware, and telephone at the Government in the Government.
2. Establishment of the Information Association Agency
3. Identification of government services that can be offered through Internet.
4. Applying use of electronic personal documents (IDs, passports, driver's licenses).

14.6. Financing of the Public Administration

14.6.1. Current Situation

The field of public administration financing is of special importance for the public administration reform and concrete steps have already been taken in this direction with considerable donor support from USAID, EAR, World Bank, Netherlands, Sweden, Canada, etc. To a great extent, the necessary systems are in place but it takes time and resources to build capacities in the public service and to make these systems more efficient.

Supporting and encouraging current capacities should be a priority, while any new resources should focus on building of necessary institutions and capacities in all budget organizations in the area of budget planning and preparation, implementation, revision and internal audits.

In addition to this, trainings for managing expenditures should be provided for all 'non-financial' senior officials in relevant ministries and in the municipalities in order to help them understand the role and the importance of an effective budget and the system of financial management and its contribution in the process of planning and determining priorities in organizations.

Anyway, capacity building will depend on more than just trainings and it is essential that the payment structures be reformed in order to attract and keep professional staff.

14.6.2. Expected Results

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In terms of the implementation of the public administration reform in the area of public administration financing, the following results are expected:

- The entire expenditure budget is limited within available resources foreseen in the Mid-Term Budget Framework.
- Allocation of budget resources is regulated by a clear and detailed statement of priorities by the Government in the Mid-term Expenditure Framework.
- The budget of spending agencies is developed on program basis, reflecting the priorities of the Government and the ministries with clear execution indicators.
- Financing for all new policy initiatives, including legislation, is planned and managed through the budgetary process.
- All spending agencies spend up to 95 % of their budget in accordance with their budgetary plan.
- All spending agencies have a system that is completely functioning for monitoring the expenditure, control and reporting mechanisms, supported by an efficient system of internal audits.
- To ensure the efficiency of the public administration cost.

14.6.3. Priority Activities

Priority activities in the area of Public Administration Financing consist of the following activities:

1. Development and harmonization of legislation in the area of public finance
 - a. Amending (supplementing) of the Law on Managing Public Finances and Responsibilities, No; 2003/17
 - b. Finalization of supplementing process of the Law on Public Procurement.
2. Capacity building in MEF in further supporting spending agencies for a better planning and assessment of their budget.
3. Development of pay system for PA staff
4. Development of a unified accounting system in accordance with international accounting systems to ensure accurate evidence of the revenues and expenditures, and to train the staff for using the system.

14.7. Anti-corruption

14.7.1. Current Situation

Corruption represents an obstacle to the genuine functioning of the public administration. Kosovo has quite a good legal framework. The Government has adopted the Anti-Corruption Strategy and its respective Action Plan, while the Assembly has adopted the Law on Corruption, which together represent a good basis for the PISG. However, their implementation is weak. The key element missing has been the creation of the Anti-Corruption Agency, which has been delayed a lot. In the absence of it and of genuine

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non-functioning of the judiciary system in Kosovo, individual efforts by institutions and agencies have not managed to yield many results, despite the support from donors. An exception in this respect is the Office of the Auditor General which has set a good example over the last few months, with the publication of detailed reports that attracted the attention of the media. However, for as long as the Agency is not efficient, it will be impossible to undertake a cohesive inter-institutional action necessary to make substantial changes.

14.7.2. Expected results

The Implementation of the PAR and of its action plan aims achievement of a number of results in the area of the fight on corruption in the public administration. In a short and mid term period the following activities are expected to take place:

- Completion of the existing legal framework on fight against corruption;
- Creation of a functioning system for fighting/preventing corruption and building adequate mechanisms in this area;
- Coordination of anti-corruption activities within the public administration with other responsible institutions in this domain, especially with the Anti-Corruption Agency and the prosecutors' offices.

14.7.3. Priority activities

Priority activities in the field of fighting/preventing corruption consist of:

1. Compiling of clear administrative directions and setting up of institutional mechanisms for:
 - avoiding nepotism when hiring and promoting civil servants and
 - auditing and controlling in the public administration;
2. Compiling of simple procedures for:
 - providing civil services and
 - for denouncing corruption cases.

14.8. Policies and Legislation

14.7.1. Current situation

The legal framework in Kosovo is complex but insufficient. The applicable legislation in Kosovo includes Regulations adopted by the Special Representative of the Secretary General and supportive instruments laid down in accordance with them and also the legislation in force in Kosovo on 22 March 1989. If a competent court, a body or a person that must implement a legislative act, concludes that an issue or a situation cannot be covered by the Regulations announced by the SRSG and their assisting instruments and the applicable Legislation in Kosovo on 22 March 1989, but is covered by another applicable law in Kosovo after 22 March 1989, which is not discriminatory and is in line with international standards on human rights, then the court, body or person, as an exception, implements that law.

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The development of policies before preparing draft proposals of laws are not common throughout the ministries and it leads to poor quality of laws. The problem is interrelated, that, the proper development of laws requires the proper development of policies. Almost every ministry has lack of skills to develop policies and laws. There are annual legislative plans for each ministry. The Legal Offices of the ministries and the office for legal support services within the Office of the Prime Minister are bodies that shoulder the biggest burden of drafting legislative acts. The policy and capacity of legal drafting in the ministries follows a certain cycle whereby the office for legal support services within the Office of the Prime Minister coordinates and discusses, the Government decides, and the ministries are tasked with preparing and analysing the proposals for policies and legislation.

There is a mechanism, the Agency for European Integration for ensuring the compatibility of the draft-laws with EU standards.

The secondary legislation required for the implementation of the primary legislation is often drafted with delays; there are no mechanisms to plan what secondary legislation is necessary. The monitoring of the implementation of laws is insufficient and donors support is rather focused on making draft-proposals rather than on their implementation.

Publication of the legislation is posted on the web page and in the Official Gazette.

14.7.2. Expected Results

In the area of drafting and applying legislation policies by the public administration in Kosovo and in order to avoid the shortcomings spotted during the analysis of the current situation, the objective is to achieve the following results:

- Within a short and mid term period the key policies will be drafted and the legislation on public administration will be completed.
- The process of European integration should be the framework and the guide for defining policies in the public administration and in general in Kosovo.
- The process of approximation of the local legislation with the EU is expected to continue.
- Creation of certain standards for the development of the legislation and of procedural acts by the PA;
- Creation of mechanisms to monitor the implementation of the legislation and also capacity building in institutions and staff in the area of policy making and legislation.

14.7.3. Priority Activities

In order to reach the strategic objectives set in the area of policies and legislation with the action plan the following activities are foreseen among others:

1. Drafting of a national plan to harmonize legislation with *acquis communautaire*.
2. Standardization of the format for drafting of the legislation.
3. Developing of an inclusive program for legislative policy making.

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4. Functionalizing of mechanisms that provide monitoring of legislation implementation.
5. Drafting of an action plan for elimination of legal collisions.

Annexes:

- Action plan for implementation of the Public Administration Reform;
- Financial cost assessment for priority activities;
- Approximate financial cost assessment for all the action plan;