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

## Methodological Framework for

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## INTRODUCTION

The *Methodological Framework for the Principles of Public Administration* provides a comprehensive monitoring framework for assessing the state of a public administration against each Principle described in *The Principles of Public Administration*<sup>1</sup>. The Framework features a complete set of indicators, focusing on the preconditions for a good public administration (good laws, policies, structures and procedures) and how the administration performs in practice, including the implementation of reforms and subsequent outcomes. Benchmarks and performance criteria have been defined to analyse both the state of play at a point in time and the subsequent progress a country makes towards the standards for good governance and requirements for successful European integration (EI), set out in the Principles. In addition to requirements in the European Union (EU) *acquis*, these criteria are based on the actual practices of EU member countries and examples of good practice in member countries of the Organisation for Economic Co-operation and Development (OECD).

### Overall approach

No single measurement method can fully capture the complex issues related to organisational changes and changes in social behaviour which are at the heart of good public governance and successful public administration reform (PAR). To provide an accurate picture of performance, it is necessary to obtain as much information as possible from administrative data, surveys, statistics, interviews, etc., and then to actively cross-check it to arrive at a balanced assessment. The indicators are composed of a combination of sub-indicators drawing on different methodologies and a point allocation system ensures that the weight of a single method is not disproportional. Active data triangulation is possible because SIGMA applies a mixed-methods approach. This increases the analytical quality compared to the single-method approaches that are often applied to assessing PAR.

The monitoring framework is deliberately simple and intuitive in its construction to allow countries to verify and challenge the assessment, based on relevant evidence. Each Principle is measured by an indicator, which is composed of sub-indicators that contain specific criteria. One or more points are awarded for each criterion fulfilled, depending on its importance and relevance for a particular Principle. The total amount of points is converted into a final value for the indicators, on a scale from 0 (the lowest) to 5 (the highest).

### Aim and focus

SIGMA collects the evidence necessary for monitoring the performance of, and progress in, countries during its assessment process against the six core areas of public administration: strategic framework of public administration reform; policy development and co-ordination; public sector and human resource management; accountability; service delivery; and public financial management (including public procurement and external audit). Each area is comprised of Principles which outline the main requirements that countries should follow during the EI process. In 2015, SIGMA established a baseline assessment for all seven EU Enlargement candidate countries and potential candidates against the 2014 *Principles of Public Administration*<sup>2</sup>. In 2016, the measurement framework was further developed and improved to increase the focus on implementation and outcomes, while streamlining the indicators to better reflect the Principles, mixing methods, triangulating data and consistently specifying the measurement approach at the level of individual criteria.

The indicators were developed to provide an accurate and balanced measure of each Principle. They enable the measurement of progress and show the country what steps can be taken to further develop

<sup>1</sup> OECD (2017), *The Principles of Public Administration*, OECD Publishing, Paris, [http://www.sigmapublications.org/publications/Principles-of-Public-Administration\\_Edition-2017\\_ENG.pdf](http://www.sigmapublications.org/publications/Principles-of-Public-Administration_Edition-2017_ENG.pdf).

<sup>2</sup> OECD (2014), *The Principles of Public Administration*, OECD Publishing, Paris, <http://www.sigmapublications.org/publications/Principles-Public-Administration-Nov2014.pdf>.

and improve its public administration. The framework was designed to monitor and track trends over time, having established the state of play at a particular point in time. National governments, think tanks, civil society organisations and donors will find this framework useful and inspirational, as it is the first of its kind in providing criteria for what good public administration looks like, in all areas of PAR.

The framework can thus be used as a methodological tool, allowing countries the possibility to evaluate their own current state of affairs in relation to some or all of the Principles of Public Administration and to measure progress in the implementation of reforms over time. The indicators can be used with external expert support or for self-assessment. However the tool is used, the collection of significant amounts of information and data, and a strong analytical capacity to support robust evaluation are required to achieve rigorous and credible outcomes. The methodology is designed to provide an accurate assessment of often very technical areas of PAR. Many sub-indicators rely on a large amount of administrative data or survey data. Therefore, even if the framework is fully transparent, SIGMA's system of data collection and validation, and professional judgement in data analysis, is a key part of ensuring reliable, consistent and valid results.

### Structure and logic of the document

The document is structured according to the 48 Principles, ordered by the 6 key areas of public administration, with indicators under each Principle. A three-digit reference number precedes the titles of the indicators: the first number refers to the area, the second to the Principle and the third shows whether this is the first or second indicator belonging to that Principle (only a few Principles have two indicators).

The overview tables show the sub-indicators, the main data sources and the maximum point allocation possible. The point conversion ranges used to determine the final indicator value are shown at the bottom of each overview table. Generally, the point allocation is constructed so that a country can only receive an overall value of 2 on the basis of the quality of its legislative and regulatory framework; a value of 3 cannot be achieved without showing that implementation of key processes is happening in practice; and in order to obtain a value of 4, the country needs to show a consistent achievement of relevant outcomes. The value of 5 is reserved for outstanding performance and full compliance with the Principles and the standards for good public governance. After the overview table, detailed descriptions of each sub-indicator are provided. This specifies the assessment methodology and the criteria used for point allocation. If the required information is not available or is not provided by the administration, 0 points are awarded. Lastly, key definitions and methodological considerations on comparability, potential bias and data validation are also presented.

### Overview of methods and indicators

The framework consists of 52 indicators, composed of more than 340 individual sub-indicators, enabling a high variety of different ways to measure the state of play in a public administration and progress in implementing reforms.

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

- desk reviews of legislation, regulations, reports, government data, etc.
- interviews
- reviews of cases and samples of government documentation
- observations of practice and on-site verification
- surveys of the population and businesses conducted by the Balkan Barometer survey<sup>3</sup>, or similar
- surveys of contracting authorities and businesses conducted by SIGMA

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<sup>3</sup> Balkan Opinion Barometer, annual survey conducted by the Regional Cooperation Council, <http://www.rcc.int/seeds/results/2/balkan-opinion-barometer> and <http://www.rcc.int/seeds/results/3/balkan-business-barometer>.

## LIST OF ABBREVIATIONS AND ACRONYMS

CAF	Common Assessment Framework
CEPEJ	European Commission for the Efficiency of Justice
CHU	central harmonisation unit
CIO	chief information officer
COA	Chart of Accounts
COFOG	Classification of the Functions of Government
CoG	centre of government
CoM	council of ministers
CSL	civil service law
EBF	extra-budgetary funds
EFQM	European Foundation for Quality Management
ESA	European Statistical Accounts
ESPD	European Single Procurement Document
FRSI	fiscal rule strength index
FMC	financial management and control
GDP	gross domestic product
GPG	gender pay gap
GAWP	government annual work plan
GFS	Government Finance Statistics
EI	European integration
ENP	European Neighbourhood Policy
EU	European Union
IA	internal audit
IAA	Institute of Internal Auditors
ICC	International Coordinating Committee for National Human Rights Institutions
ICT	information and communication technology
INCOSAI	Congress of the International Organization of Supreme Audit Institutions
INTOSAI	International Organization of Supreme Audit Institutions
IPA	Instrument for Pre-accession Assistance
ISCED	International Standard Classification of Education
ISO	International Organization for Standardization
ISSAI	International Standards of Supreme Audit Institutions
LGAP	law on general administrative procedure
MoF	ministry of finance
MP	member of parliament

Methodological Framework for the Principles of Public Administration  
List of Abbreviations and Acronyms

MTBF	medium-term budgetary framework
NGO	non-governmental organisation
NUTS	nomenclature of territorial units for statistics
OBL	organic budget law
OBS	Open Budget Survey
OECD	Organisation for Economic Co-operation and Development
PAR	public administration reform
PEFA	public expenditure and financial accountability
PFM	public financial management
PIFC	public internal financial control
PM	prime minister
PPP(s)	public-private partnership(s)
QoG	quality of government
RIA	Regulatory Impact Assessment
RTI	Global Right to Information Rating
SAI	supreme audit institution
SAI PFM	SAI Performance Measurement Framework
SGI	Sustainable Governance Indicators
SME(s)	small and medium-sized enterprise(s)
TED	Tenders Electronic Daily
TNA	training needs analysis
TSA	treasury single account
UNESCO	United Nations Educational, Scientific and Cultural Organization
VAT	value added tax
WCAG	Web Content Accessibility Guidelines

# 1

## Strategic Framework of Public Administration Reform

## STRATEGIC FRAMEWORK OF PUBLIC ADMINISTRATION REFORM

**Principle 1: The government has developed and enacted an effective public administration reform agenda which addresses key challenges.**

### Indicator 1.1.1: Quality of the strategic framework of public administration reform

This indicator measures the quality of the strategy for public administration reform (PAR) and related planning documents (i.e. to what extent the information provided is comprehensive, consistent and complete), including the relevance of planned reforms.

A separate indicator (1.1.3) measures financial sustainability and cost estimates in detail.

Sub-indicators	Maximum points					
1. Coverage and scope of PAR planning documents						5
2. Prioritisation of PAR in key horizontal planning documents						2
3. Coherence of PAR planning documents						4
4. Presence of minimum content of PAR planning documents						7
5. Reform orientation of PAR planning documents						3
6. Quality of consultations related to PAR planning documents						2
Total points	0-3	4-7	8-11	12-15	16-19	20-23
Final indicator value	0	1	2	3	4	5

### Full description of each sub-indicator

Sub-indicator 1	Coverage and scope of PAR planning documents
Methodology	<p>Expert review of the documentation to identify all existing and approved PAR planning documents and to verify to what extent they cover the five substance areas of <i>The Principles of Public Administration</i> (see the list below in point allocation).</p> <p>To be considered “covered”, each area must be a clearly identifiable part of the planning documents (e.g. a separate strategy, a chapter or sub-chapter or similar section) that: 1) analyses the existing situation; 2) sets objectives; and 3) identifies specific reform activities.</p>
Point allocation	<p>For each area that meets the criteria above, 1 point is allocated (5 points in total):</p> <ul style="list-style-type: none"> <li>• policy development and co-ordination</li> <li>• public service and human resource management</li> <li>• accountability</li> <li>• service delivery</li> <li>• public financial management, including public procurement</li> </ul>

<b>Sub-indicator 2</b>	<b>Prioritisation of PAR in key horizontal planning documents</b>
Methodology	<p>Expert review of central planning documents of the government, to verify to what extent PAR is identified as a priority. Assessors review the following key documents:</p> <ul style="list-style-type: none"> <li>• the government work programme</li> <li>• the national development plan (or Economic Reform Programme)</li> <li>• the national programme for European integration (EI)</li> </ul> <p>The analysis will identify whether these planning documents include PAR areas among the issues addressed (objectives, measures or activities). It is not sufficient to highlight PAR as a priority in the introduction or other overview chapters. To be considered “covered”, the document must include substantive sections or areas dealing with PAR.</p> <p>Assessors select three horizontal planning documents and review each of the documents separately to assess the level of prioritisation of PAR. PAR is considered a priority if the government has focused on the topic and set out specific measures or activities that address at least four of the other five substance areas of PAR (see the list in sub-indicator 1).</p>
Point allocation	<p>Points are awarded depending on the number of key planning documents that include PAR among their priorities and measures/activities:</p> <ul style="list-style-type: none"> <li>• 2 points = all three key planning documents address PAR as a priority.</li> <li>• 1 point = two out of three key planning documents address PAR as a priority.</li> <li>• 0 points = fewer than two key planning documents address PAR as a priority.</li> </ul>
<b>Sub-indicator 3</b>	<b>Coherence of PAR planning documents</b>
Methodology	<p>Expert review of PAR planning documents to assess two forms of coherence:</p> <ul style="list-style-type: none"> <li>• between different PAR planning documents (when there is only one PAR planning document, there must be coherence between chapters);</li> <li>• between PAR planning documents and the government’s legislative plans (government work programme and/or legislative plan).</li> </ul> <p>Different PAR planning documents (or chapters if there is only one strategy) are considered incoherent if at least two clear cases of any of the following problems are identified:</p> <ul style="list-style-type: none"> <li>• Their objectives and measures are directly contradictory;</li> <li>• Clear differences in ambition levels (such as different target values) are indicated;</li> <li>• Different deadlines are stipulated for completing the same measure or activity;</li> <li>• Different institutions have been designated as responsible for the same task.</li> </ul> <p>Only PAR planning documents with overlapping periods of implementation will be reviewed and compared.</p> <p>PAR planning documents are considered not to be coherent with the legislative plan if more than one law specified in the PAR planning documents is not included in the government’s legislative plan. The assessment is done by comparing the plans made for the ongoing calendar year.</p>

<p><b>Point allocation</b></p>	<p>Two points are awarded for each of the two criteria for coherence which are met (total of 4 points):</p> <ul style="list-style-type: none"> <li>• PAR planning documents are coherent, with no more than one inconsistency identified;</li> <li>• PAR planning documents are coherent with the legislative plans of the government, with no more than one law omitted.</li> </ul>
<p><b>Sub-indicator 4</b></p>	<p><b>Presence of minimum content of PAR planning documents</b></p>
<p><b>Methodology</b></p>	<p>Expert review of PAR documents to verify to what extent they include systematic information on the criteria listed below in point allocation.</p> <p>If the country has more than one PAR-related planning document, of different scopes (for example, a separate strategy for the public financial management [PFM] area), then all these planning documents must include the criteria defined below.</p> <p>If the country has one or two PAR planning documents covering the PAR areas, but other (specific or <i>ad hoc</i>) policy papers have the same scope, it is not necessary to analyse the other policy documents against the criteria listed below.</p>
<p><b>Point allocation</b></p>	<p>PAR planning documents must include systematic information on each of the following criteria, with 1 point awarded for each (total of 7 points):</p> <ul style="list-style-type: none"> <li>• situation analysis, including identification of existing problems</li> <li>• policy objectives</li> <li>• outcome-level indicators for all policy objectives of the strategy</li> <li>• target values for 90% or more of the outcome-level indicators, at least for the end of the period planned</li> <li>• activities linked to specific institutions, with clear deadlines for completion</li> <li>• estimates for resource needs, with costing information provided for at least 75% of planned activities</li> <li>• monitoring, reporting and evaluation requirements specifying institutional responsibilities and frequency of reports</li> </ul>
<p><b>Sub-indicator 5</b></p>	<p><b>Reform orientation of PAR planning documents</b></p>
<p><b>Methodology</b></p>	<p>Expert review of PAR documents (action plans) to analyse the extent to which the activities planned will involve reforming the system of public administration and changing the behaviour of the stakeholders involved.</p> <p>The analysis will distinguish regular, ongoing and/or process-oriented activities (e.g. annual reports, continuous monitoring, continuation of existing training programmes, etc.) from reform-oriented activities that would create changes in the existing legal or institutional system and directly lead to changes in expected practices.</p> <p>To reduce the risk of subjective judgements in assigning activities to these two categories, this assessment is carried out by two assessors in parallel. If their assessments differ, they will discuss the activities one by one and jointly agree on a final list.</p>

Point allocation	<ul style="list-style-type: none"> <li>• 3 points = more than 90% of activities are reform-oriented.</li> <li>• 2 points = 75%-90% of activities are reform-oriented.</li> <li>• 1 point = 60%-74.99% of activities are reform-oriented.</li> <li>• 0 points = less than 60% of activities are reform-oriented.</li> </ul>
<b>Sub-indicator 6</b>	<b>Quality of consultations related to PAR planning documents</b>
Methodology	<p>Expert review of PAR documents, in particular public consultation reports, composition of working groups and minutes (if available) for the process of drawing up PAR planning documents (strategies, action plans and amendments). If the country has more than one PAR-related planning document, with different scopes (e.g. a separate strategy for the PFM area), then all these planning documents must include the criteria defined below. If the country has one or two PAR planning documents covering the PAR areas but there are also other (specific or <i>ad hoc</i>) policy papers within the same scope, it is not necessary to analyse the other policy documents against the criteria listed below.</p> <p>Assessors will analyse any new plan (strategy, action plan) or any amendment to a PAR area planning document that was approved during the last full calendar year or later. If no new plans or amendments to planning documents were approved in the assessment period, assessors will analyse the most recent planning document or amendments approved prior to the assessment period.</p> <p>For the purposes of point allocation (see below), national non-governmental stakeholders include:</p> <ul style="list-style-type: none"> <li>• civil society organisations</li> <li>• business associations</li> <li>• unions of municipalities</li> <li>• trade unions</li> </ul>
Point allocation	<p>PAR documents must meet the following criteria, with 1 point awarded for each:</p> <ul style="list-style-type: none"> <li>• PAR planning documents are disclosed for public consultations for a minimum of two weeks;</li> <li>• A minimum of two representatives of national non-governmental stakeholders (listed above under methodology) are involved in meetings of working groups (or the equivalent) to draw up new PAR planning documents or amendments to them.</li> </ul>

**Definitions of key terms and official data classifications used (if applicable)**

**Public administration reform:** activities intended to improve the governance mechanisms (policies, rules, procedures, systems, organisational structures, personnel, etc.) initiated by the government, often in interaction with state and civil society actors. SIGMA's *Principles of Public Administration* define six areas: 1) strategic framework of public administration reform; 2) policy development and co-ordination; 3) public service and human resource management; 4) accountability; 5) service delivery; and 6) public financial management.

**Reform-oriented activities:** activities explicitly intended to implement particular public sector reforms, as opposed to regular, ongoing government activities related to general service delivery, financial management, human resource management, reporting, etc.

**Public consultation:** process through which the government actively seeks the opinions of interested and affected groups for a policy or legislative initiative. A two-way flow of information, this may occur

at any stage of policy development, from problem identification to evaluation of existing regulation. Key standards of public consultation are defined in the UK Government's Code of Practice on Consultation<sup>4</sup>.

#### Known limits and bias of data

**Sub-indicator 1: Coverage and scope of PAR planning documents**

**Sub-indicator 2: Prioritisation of PAR in key horizontal planning documents**

**Sub-indicator 3: Coherence of PAR planning documents**

**Sub-indicator 4: Presence of minimum content of PAR planning documents**

**Sub-indicator 5: Reform orientation of PAR planning documents**

Methodology adopted for these indicators does not provide a comprehensive assessment of the quality of strategic documents. The assessment focuses on the existence of key elements of the strategic planning cycle in the relevant policy documents and the general consistency and coherence of the policies established in those documents.

**Sub-indicator 6: Quality of consultations related to PAR planning documents**

The actual impact and role of external stakeholders is not assessed, as the assessment is limited to the existence of formal guarantees of their involvement.

#### Data validation and quality assurance by SIGMA

Documentation provided by the national authorities is validated by international and local experts through interviews in the country and cross-checking with other credible sources of data. The government also subsequently checks the factual accuracy of SIGMA's assessment. In addition, sub-indicator 5 the assessment is conducted by two experts, to mitigate the risk of biased assessment. The quality of data on consultations on PAR strategies, sub-indicator 6, is additionally verified through interviews with selected non-governmental stakeholders during the assessment process.

<sup>4</sup> HM Government (2008), *Code of Practice on Consultation: The Seven Consultation Criteria*, p. 4, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/2662/code-of-practice.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/2662/code-of-practice.pdf).

**Principle 2: Public administration reform is purposefully implemented; reform outcome targets are set and regularly monitored.**

**Indicator 1.2.1: Effectiveness of PAR implementation and comprehensiveness of monitoring and reporting**

This indicator measures the track record of implementation of PAR and the degree to which the goals were reached. It also assesses the systems for monitoring and reporting of PAR.

Sub-indicators	Maximum points					
1. Comprehensiveness of PAR reporting and monitoring systems	8					
2. Implementation rate of PAR activities (%)	4					
3. Fulfilment of PAR objectives (%)	4					
Total points	0-2	3-5	6-8	9-11	12-14	15-16
<b>Final indicator value</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

**Full description of each sub-indicator**

<b>Sub-indicator 1</b>	<b>Comprehensiveness of PAR reporting and monitoring systems</b>
Methodology	Expert review of the PAR-related planning and reporting documents. Interviews with officials from the centre of government (CoG) and ministries.
Point allocation	<p>PAR reporting and monitoring systems must meet the following criteria, with 1 point awarded for each (total of 7 points):</p> <ul style="list-style-type: none"> <li>• A reporting and monitoring system for PAR is established and used at least once a year (including reporting to the highest political level, as foreseen by the national regulations);</li> <li>• The roles of various institutions in monitoring and reporting are defined;</li> <li>• Indicators are linked to objectives and used to monitor progress in the area of PAR;</li> <li>• All outcome-level indicators (and impact-level indicators, if they exist) are described and defined in detail, including data sources, time of data availability, calculation formulas, responsible institutions, and baseline and target values;</li> <li>• PAR progress reports are prepared at least once a year with information on outputs produced or activities completed;</li> <li>• PAR progress reports are prepared and published at least every second year, including information on the outcome and/or impact indicators;</li> <li>• Civil society organisations are involved in monitoring and evaluation of the PAR strategy, either actively as evaluators (one of the past two evaluations has been led by a member of civil society) or as part of a formal review/quality assurance mechanism established for the annual progress reports in the current monitoring system.</li> </ul>

<b>Sub-indicator 2</b>	<b>Implementation rate of PAR activities (%)</b>
Methodology	<p>Expert review of PAR planning documents and reports to determine the extent of implementation of PAR activities. The basis for defining activities is government-adopted planning documents or documents on PAR implementation. The implementation rate is calculated by dividing the total number of PAR activities planned and implemented in the reporting year by the total number of activities planned for that particular year.</p> <p>The analysis will identify all activities that were supposed to have been completed by the end of the last full calendar year. Activities that are ongoing, continuous or only partly implemented will not be counted.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = more than 80%</li> <li>• 3 points = 70%-79.9%</li> <li>• 2 points = 60%-69.99%</li> <li>• 1 point = 40%-59.99%</li> <li>• 0 points = less than 40%</li> </ul>
<b>Sub-indicator 3</b>	<b>Fulfilment of PAR objectives (%)</b>
Methodology	<p>Expert review of PAR planning and implementation documents to determine to what extent objectives have been fulfilled. Analysis is based on measurable reform objectives set by the government in one or more planning documents. The number of fulfilled reform objectives is compared with all reform objectives.</p> <p>If the government has established annual targets or results, these are taken into account in the analysis. If the government has established less frequent targets or results, the analysis will take into account the data from the latest available year (providing it dates from no farther back than three years). If the government has not set targets or any other form of measurable reform objectives, the review will assign 0 points for this sub-indicator.</p> <p>The sub-indicator is calculated based on all targets that are fully achieved. If all targets are fully achieved, the rate is 100%.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = PAR objectives are largely achieved (the achievement rate is 75% or higher).</li> <li>• 3 points = moderate achievement in PAR objectives has been achieved, with an achievement rate between 50% and 74.99%.</li> <li>• 2 points = modest achievement in PAR objectives has been achieved, with an achievement rate between 25% and 49.99%.</li> <li>• 0 points = PAR objectives are largely not achieved (the achievement rate is less than 25%), or there are no measurable reform objectives.</li> </ul>

Definitions of key terms and official data classifications used (if applicable)

**PAR objectives:** specific, measurable, attainable, relevant and time-bound results specified in PAR planning documents and assigned to relevant public bodies that are clearly responsible for achieving them. PAR objectives need to specify the changes called for in the relevant policy area.

Known limits and bias of data

**Sub-indicator 2: Implementation rate of PAR activities (%)**

**Sub-indicator 3: Fulfilment of PAR objectives (%)**

The assessment is based on the government's documents illustrating the implementation/fulfilment rate and is not supported by independent review. Assessors therefore also review the methodology of the government's implementation reports and search for external evaluations of progress in implementing reform.

Data validation and quality assurance by SIGMA

Documentation provided by the national authorities is validated by international and local experts, through interviews in the country and cross-checking with other credible sources of data. The government also subsequently checks the factual accuracy of SIGMA's assessment.

**Principle 3: The financial sustainability of public administration reform is ensured.**

**Indicator 1.3.1: Financial sustainability of PAR**

This indicator measures to what extent financial sustainability has been ensured in PAR as a result of good financial planning.

Sub-indicators	Maximum points					
1. Costed PAR activities (%)						3
2. Completeness of financial information in PAR planning documents						4
3. Actual funding of the PAR agenda						3
Total points	0	1-3	4-5	6-7	8-9	10
Final indicator value	0	1	2	3	4	5

**Full description of each sub-indicator**

Sub-indicator 1	Costed PAR activities (%)
Methodology	<p>Expert review of the PAR strategy and related planning documents (including detailed annexes on financial estimations, if they exist). The sub-indicator is calculated by dividing the total number of costed activities by the total number of activities included in the PAR planning documents. An activity that is carried out by the existing core staff of the institutions involved is considered to be covered (i.e. budgeted) and costed (if it is specified in the PAR planning documents).</p> <p>At a minimum, it is expected that all additional costs (i.e. expenditure that is not part of the regular budgetary resources of the institutions, such as existing staff resources and expenditure on premises) are presented as estimations of financial needs. If an activity is covered, with no need for additional expenditure, that must be stated.</p>

Point allocation	<ul style="list-style-type: none"> <li>• 3 points = more than 95%</li> <li>• 2 points = 75%-95%</li> <li>• 1 point = 50%-74.99%</li> <li>• 0 points = less than 50%</li> </ul>
<b>Sub-indicator 2</b>	<b>Completeness of financial information in the PAR planning documents</b>
Methodology	<p>Expert review of PAR-related planning documents, including all strategies and action plans in the areas defined in The Principles of Public Administration. If a separate annex or other document exists on costing, that will be reviewed, providing it is in line with the information presented in the strategies and action plans. The expert review will identify the following:</p> <ul style="list-style-type: none"> <li>• Whether cost estimates exist for most of the PAR-related planning documents and if cost estimates are provided for all activities that are likely to require additional resources (i.e. that fall outside the normal mandate of the respective institution and its budget). No points are awarded if the analysis identifies at least two clear cases where additional costs that are necessary to implement an activity are not disclosed in the relevant parts of the PAR planning documents or other relevant documents;</li> <li>• Whether EU and other donor-funded support is identified in the costing information. Donor funding is not needed for PAR if the government covers the extra expenditure needs from the budget;</li> <li>• Whether the additional costs are broken down between temporary costs, one-off costs (e.g. costs of one-off training, expert assistance or IT software/equipment purchases) or recurrent expenditure (e.g. additional recurring costs as a result of increased staff numbers, cost of premises, maintenance of information technology software);</li> <li>• Whether cost estimates are provided for all expenditures related to the activities (full costing), including regular budgetary costs for salaries and premises of the units responsible for implementing the actions. This is likely to be practiced with a sophisticated approach to programme budgeting.</li> </ul>
Point allocation	<p>For each of the following four criteria, 1 point is awarded (total of 4 points):</p> <ul style="list-style-type: none"> <li>• Systematic estimates are provided for all additional costs needed to implement the PAR strategy/strategies;</li> <li>• Sources of funding are explicitly identified, including activities supported by IPA-funded projects;</li> <li>• Additional cost estimates disaggregate temporary and recurrent additional costs;</li> <li>• Full costing is carried out, also covering the regular budgetary costs of the institutions involved.</li> </ul>

Sub-indicator 3	Actual funding of the PAR agenda
Methodology	<p>Expert review of the PAR planning documents, annual budget and IPA programming documents (including Sector Budget Support) to determine if the funding identified in the PAR planning documents was met.</p> <p>The analysis focuses on identifying inconsistencies between PAR planning documents and the amounts provided for in the documents presenting legal commitments, such as the annual budget bill or the approved programming documents for IPA. Inconsistencies are considered material if:</p> <ul style="list-style-type: none"> <li>• The PAR planning documents include expenditure plans that are 20% or more above the actual cost included in the corresponding plans in the respective budget allocations. The review is conducted by analysing five activities (or, alternatively, sub-objectives) with the highest expenditure estimates and with a deadline for completion during the current or previous calendar year;</li> <li>• The PAR planning documents include expenditure plans for ongoing or tendered donor-funded projects whose organisations' plans do not include any reference to these activities. The review is done by analysing the three donor-funded activities in the PAR planning documents with the highest expenditure estimates.</li> </ul> <p>If the PAR planning documents do not include costing information (estimates of financial needs), the value of the sub-indicator is set automatically at 0. However, points may be awarded even when the costs for the PAR activities with the highest expenditure estimates are not laid out in the annual budget, if the institutional budgets comprehensively, and in a way that can be tracked, also cover the PAR-related activities.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = no cases of inconsistencies as defined above.</li> <li>• 1 point = one or two material cases with inconsistencies as defined above.</li> <li>• 0 points = three or more material cases with inconsistencies as defined above, or PAR planning documents do not include costing information.</li> </ul>

#### Definitions of key terms and official data classifications used (if applicable)

**Binding financial plans:** the government's official documents providing expenditure plans for central government bodies (e.g. annual and multi-annual budgets or annual financial plans for government institutions).

**IPA:** the Instrument for Pre-accession Assistance, managed by the European Commission (EC).

**IPA programming documents:** documents published by the EC for its programmes funded by the IPA.

#### Known limits and bias of data

##### **Sub-indicator 1: Costed PAR activities (%)**

This sub-indicator does not evaluate the accuracy of financial estimations, only whether costing has been conducted.

#### Data validation and quality assurance by SIGMA

Documentation provided by the national authorities is validated by international and local experts through interviews in the country and cross-checking with other credible sources of data. The government also subsequently checks the factual accuracy of SIGMA's assessment.

**Principle 4: Public administration reform has robust and functioning management and co-ordination structures at both the political and administrative levels to steer the reform design and implementation process.**

<b>Indicator 1.4.1: Accountability and co-ordination in PAR</b>						
This indicator measures the extent to which leadership and accountability in PAR are established, the regularity and quality of co-ordination mechanisms at both the political and administrative level, and the performance of the leading institution.						

Sub-indicators	Maximum points					
1. Establishment of organisational and managerial accountability for PAR	6					
2. Co-ordination mechanisms for PAR	10					
Total points	0-2	3-5	6-8	9-11	12-14	15-16
Final indicator value	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

<b>Full description of each sub-indicator</b>	
<b>Sub-indicator 1</b>	<b>Establishment of organisational and managerial accountability for PAR</b>
Methodology	<p>Expert review of regulations, planning documents and organisational structures to identify the level of: 1) organisational leadership and accountability; and 2) individual responsibility and accountability.</p> <p>For organisational leadership and accountability, the analysis will verify whether a single government organisation is responsible for the entire PAR agenda, and that, at the very least, it is able to serve as a focal point for monitoring and reporting and has the authority to set meetings and their agenda.</p> <p>For individual/managerial responsibility, the analysis will assess whether a civil servant has been appointed to organise planning, monitoring, reporting and evaluation of the PAR agenda.</p>
Point allocation	<p>If regulation(s) or formally approved planning documents designate one leading institution and if clear personal/managerial responsibility is assigned, 2 points are awarded for each of the following criteria (total of 6 points):</p> <ul style="list-style-type: none"> <li>• Organisational responsibility is assigned for the overall co-ordination, monitoring and reporting of PAR;</li> <li>• Individual/managerial responsibility is assigned for the overall co-ordination, monitoring and reporting of PAR;</li> <li>• Individual/managerial responsibilities or specific structural units of responsible organisations are assigned for each reform activity of PAR.</li> </ul>

<b>Sub-indicator 2</b>	<b>Co-ordination mechanisms for PAR</b>
Methodology	<p>Document review, interviews with civil servants responsible for PAR co-ordination and implementation of key reform areas, as well as with non-governmental organisations. The analysis will determine to what extent the co-ordination arrangements for PAR are established and have been in operation during the previous calendar year (with regular, formal meetings), whether PAR reforms bring together all key public administration reform stakeholders (including non-governmental stakeholders) and if communication with government ministries and departments is ensured.</p> <p>Political-level co-ordination on PAR can be done either by a separate PAR council, providing that the designated ministers actually participate, or in regular government policy discussion forums. The criteria for a political-level discussion of PAR are considered to have been met if the PAR topic covers either reporting on PAR or key policy issues related to any of the five substance areas of PAR and is open for presentation, debate or any other form of discussion. The criteria are not met if an agenda item has been formally approved without deliberation on substantive issues. If more than one political-level body is involved in co-ordinating different areas of PAR, there must be full co-ordination and harmonisation of the bodies' activities.</p> <p>The assessment reviews the agendas and minutes of the different co-ordination meetings to verify if the criteria have been satisfied.</p> <p>For the purposes of point allocation (see below), national non-governmental stakeholders include:</p> <ul style="list-style-type: none"> <li>• civil society organisations</li> <li>• business associations</li> <li>• unions of municipalities</li> <li>• trade unions</li> </ul>
Point allocation	<p>Points are awarded for each of the following seven criteria (total of 10 points):</p> <ul style="list-style-type: none"> <li>• There has been at least one documented case of a political-level discussion on the PAR agenda during the latest full calendar year or later (1 point);</li> <li>• A political-level co-ordination body, or bodies, that systematically covers all PAR areas exists, and has met at least twice during the latest full calendar year or later (1 point);</li> <li>• All institutions appointed to the PAR co-ordination body(ies) participate through political-level officials, and where more than one co-ordination structure exists, decisions on organising the meetings on PAR are made in a co-ordinated manner, including through harmonised timetables and inputs from all administrative level co-ordination bodies and other stakeholders (1 point);</li> <li>• An administrative-level co-ordination body is formally established, composed of representatives from all institutions that are leading work areas related to objectives of the PAR strategy (1 point);</li> <li>• The administrative-level co-ordination body has met at least four times during the latest full calendar year (2 points);</li> <li>• There is evidence that the administrative-level co-ordination body has made decisions related to the content of the PAR agenda during the last full calendar year or later (2 points);</li> <li>• At least two representatives of national non-governmental stakeholders</li> </ul>

(as listed above under “Methodology”) are regularly (at least once a year) involved in co-ordinating the PAR agenda (2 points).

#### Definitions of key terms and official data classifications used (if applicable)

**Political-level discussion:** formal debate according to a predefined agenda, with active participation from the political level (ministers and/or deputy ministers), resulting in written conclusions relating to progress in implementation of PAR or priorities for the government’s actions in this area.

**Administrative-level co-ordination body:** a formally established working group, committee, task force or permanent body, composed primarily of senior civil servants from institutions responsible for PAR implementation in all strategic areas.

#### Data validation and quality assurance by SIGMA

##### **Sub-indicator 2: Co-ordination mechanisms for PAR**

Documentation provided by the national authorities is validated by international and local experts through interviews in the country and cross-checking with other credible sources of data. The government also subsequently checks the factual accuracy of SIGMA’s assessment. Quality of data on engagement of external stakeholders in the co-ordination of PAR (sub-indicator 2) is additionally verified in interviews with selected non-governmental stakeholders during the assessment process.

2

## Policy Development and Co-ordination

## POLICY DEVELOPMENT AND CO-ORDINATION

### Policy planning and co-ordination

**Principle 1: Centre-of-government institutions fulfil all functions critical to a well-organised, consistent and competent policy-making system.**

<b>Indicator 2.1.1. Fulfilment of critical functions by the centre-of-government institutions</b>
This indicator measures to what extent the minimum requirements for functions critical to a well-organised, consistent and competent policy-making system are fulfilled by the centre-of-government (CoG) institutions.  As this indicator is used to assess the fulfilment of the minimum requirements, it does not measure outcomes or include quantitative sub-indicators. The outcomes of some of these critical functions are captured by other indicators on policy development and co-ordination.

<b>Sub-indicators</b>	<b>Maximum points</b>					
1. Critical functions are assigned to CoG institutions by legislation	8					
2. Availability of guidelines to line ministries and other government bodies	4					
3. Institutionalisation of co-ordination arrangements between the CoG institutions	4					
Total points	0-2	3-5	6-9	10-12	13-14	15-16
<b>Final indicator value</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

<b>Full description of each sub-indicator</b>	
<b>Sub-indicator 1</b>	<b>Critical functions are assigned to CoG institutions by legislation</b>
Methodology	Expert review of legislation.
Point allocation	<p>For each of the following criteria for functions assigned to the CoG institutions by the legal framework, 1 point is awarded (total of 8 points):</p> <ul style="list-style-type: none"> <li>• Co-ordinating the preparation of the government sessions, including preparation of agendas;</li> <li>• Co-ordinating activities to ensure legal conformity;</li> <li>• Leading preparation and co-ordinating approval of the government's strategic priorities and work programme;</li> <li>• Co-ordinating the policy content of proposals for government decision, including defining the policy preparation process and ensuring coherence with government priorities;</li> <li>• Ensuring that policies are affordable and overseeing co-ordination of public sector resource planning;</li> <li>• Co-ordinating government communication activities to ensure a coherent government message;</li> <li>• Monitoring government performance to ensure that the government</li> </ul>

	<p>collectively performs effectively and keeps its promises to the public;</p> <ul style="list-style-type: none"> <li>• Managing the relationship between the government and other parts of the state (e.g. the president, the parliament).</li> </ul>
<b>Sub-indicator 2</b>	<b>Availability of guidelines to line ministries and other government bodies</b>
Methodology	Expert review of the guidelines approved by the government or issued by a CoG body in line with regulations (including detailed regulations that provide all the necessary guidance). If one guideline document covers multiple functions, multiple points are awarded.
Point allocation	<p>For each of the following six criteria, points are awarded when detailed guidance in written form is available on the topic, in line with regulations (total of 4 points).</p> <p>For the first two criteria, 1 point is awarded for each:</p> <ul style="list-style-type: none"> <li>• How to prepare an annual work plan of the government;</li> <li>• How to monitor government performance and prepare regular reports.</li> </ul> <p>For the other four criteria, 2 points are awarded for meeting all four criteria and 1 point for meeting at least three criteria:</p> <ul style="list-style-type: none"> <li>• How to draft legal acts and ensure legal conformity;</li> <li>• How to develop policy proposals (excluding sector strategies);</li> <li>• How to carry out public consultations;</li> <li>• How to develop sector strategies.</li> </ul>
<b>Sub-indicator 3</b>	<b>Institutionalisation of the co-ordination arrangements between the CoG institutions</b>
Methodology	Expert review of the co-ordination arrangements and procedures between CoG bodies and their internal units for policy planning and policy development. Interviews with representatives from the CoG institutions responsible for each of the critical functions. The co-ordination function must be institutionalised (i.e. established formally or informally and consistently implemented in practice) and used consistently to ensure co-operation between CoG bodies. CoG bodies are asked to provide evidence that these co-ordination arrangements work in practice.
Point allocation	<p>For each of the following two criteria on co-ordination arrangements between CoG bodies and their internal units, 2 points are awarded (total of 4 points):</p> <ul style="list-style-type: none"> <li>• CoG bodies co-ordinate and consolidate their opinions on line ministries' proposals (through written proceedings or during meetings) for inclusion into the government annual work plan (GAWP);</li> <li>• CoG units within the government office (general secretariat or the office of the prime minister) provide consolidated comments on the policy proposals submitted to the government for decision.</li> </ul>

Definitions of key terms and official data classifications used (if applicable)

**Centre of government:** in general, this includes institutions that provide direct support and advice to the head of government and the council of ministers, such as the head of the prime minister's office, cabinet secretaries or secretary generals of the government<sup>5</sup>. The definition used by SIGMA for EU

<sup>5</sup>

<http://www.oecd.org/gov/cog.htm>

candidate countries and potential candidates includes the following institutions that help ensure a well-organised and competent policy-making system: the government office/general secretariat, the ministry of finance (MoF), the body responsible for legal conformity and the body responsible for EI when fulfilling the policy-planning, co-ordination and development functions<sup>6</sup>.

**Policy proposal:** new initiative to introduce a change that will address specific policy goals or objectives. This normally takes the form of a draft law, a regulation or concept paper, a measure in the spending and tax area, or a new implementation action.

#### Data validation and quality assurance by SIGMA

Documentation provided by the national authorities is validated by experts through interviews and cross-checking with other credible sources of data. The government also subsequently checks the factual accuracy of SIGMA's assessment.

### Principle 2: Clear horizontal procedures for governing the national European integration process are established and enforced under the co-ordination of the responsible body.

#### Indicator 2.2.1: Fulfilment of European integration functions by the centre-of-government institutions

This indicator measures to what extent the minimum criteria for European integration (EI) functions are fulfilled by the CoG institutions.

As this indicator is used to assess the fulfilment of the minimum criteria, it does not measure outcomes or include quantitative indicators. The outcomes of some of these critical functions are captured by other indicators on policy development and co-ordination.

Sub-indicators	Maximum points					
1. Proportion of the EI functions that are assigned to the CoG institutions by law						6
2. Availability of guidelines to line ministries and other government bodies						4
3. Government's capacity for co-ordination of EI						8
Total points	0-2	3-5	6-9	10-13	14-16	17-18
Final indicator value	0	1	2	3	4	5

<sup>6</sup> OECD (2017), *The Principles of Public Administration*, OECD Publishing, Paris, [http://www.sigmapublications.org/publications/Principles-of-Public-Administration\\_Edition-2017\\_ENG.pdf](http://www.sigmapublications.org/publications/Principles-of-Public-Administration_Edition-2017_ENG.pdf), p. 19

Full description of each sub-indicator	
<b>Sub-indicator 1</b>	<b>Proportion of the EI functions that are assigned to the CoG institutions by law</b>
Methodology	Expert review of legislation.
Point allocation	<p>For each of the following criteria on EI functions assigned to a CoG institution by the legal framework, 1 point is awarded (6 points in total):</p> <ul style="list-style-type: none"> <li>• overall daily co-ordination of EI</li> <li>• planning of EI, including costing of reforms</li> <li>• monitoring country preparations for the EI process, including preparation of reports on EI policies</li> <li>• co-ordinating alignment of national legislation with the EU <i>acquis</i></li> <li>• co-ordinating planning and overall monitoring of EU assistance</li> <li>• co-ordinating accession negotiations</li> </ul>
<b>Sub-indicator 2</b>	<b>Availability of guidelines to line ministries and other government bodies</b>
Methodology	<p>Expert review of the guidelines and other guidance documents approved by the CoG institutions responsible for EI functions (including detailed regulations which provide all the necessary guidance) in line with regulations. If one guideline document covers guidance on the performance of several functions, points are awarded for all functions covered in the document.</p> <p>The following six criteria are assessed:</p> <ul style="list-style-type: none"> <li>• How to manage alignment of national legislation with the <i>acquis</i>;</li> <li>• How to provide inputs to planning and monitoring of EU assistance;</li> <li>• How to translate the <i>acquis</i>;</li> <li>• How to participate in, manage and co-ordinate EI-related negotiations;</li> <li>• How to provide input for EI planning documents;</li> <li>• How to provide input into reports monitoring the country's EI process.</li> </ul>
Point allocation	<p>For the first four criteria listed in the methodology, points are awarded as follows: (total of 2 points):</p> <ul style="list-style-type: none"> <li>• 2 points = all of the first four criteria are met.</li> <li>• 1 point = at least three of the first four criteria are met.</li> <li>• 0 points = two or less of the first four criteria are met.</li> </ul> <p>For the last two criteria, one point is awarded for each fulfilled criteria (total of 2 points):</p> <ul style="list-style-type: none"> <li>• How to provide input for EI planning documents;</li> <li>• How to provide input into reports monitoring the country's EI process.</li> </ul>

Sub-indicator 3	Government's capacity for co-ordination of EI
Methodology	<p>Expert review of CoG regulations, organisational structures, monitoring reports. Interviews with staff of the EI unit and line ministries.</p> <p>For a functioning co-ordination mechanism to be in place, it is not sufficient to have a regular, administrative-level meeting organised according to negotiation chapters. A functional, horizontal-level meeting forum is required. Political-level meetings must take place at least once every three months. Administrative-level meetings must take place at least once per month and be chaired by the EI co-ordination body.</p> <p>The unit responsible for EI must lead the preparation of EI plans to ensure central coordination. In addition, the EI plan must be updated at least every two years.</p> <p>The EI monitoring report (or reports) must be prepared by the EI co-ordination body, be compiled at least once per year, and cover all EI areas. Monitoring reports must be prepared for at least two consecutive years (the assessment year and the year prior to it).</p> <p>The EI co-ordination body must consistently provide its formal opinion prior to submission of draft legal acts transposing the <i>acquis</i> to the government. At least four out of five pieces of draft legislation transposing the <i>acquis</i> reviewed under indicator 2.9.1, sub-indicator 2, must include the opinion of the EI co-ordination body.</p>
Point allocation	<p>For each of the following four criteria, 2 points are allocated (total of 8 points):</p> <ul style="list-style-type: none"> <li>• A functioning co-ordination mechanism is in place;</li> <li>• Development of EI plans is centrally coordinated and they are regularly updated;</li> <li>• A monitoring report is compiled annually by the EI co-ordination body;</li> <li>• Formal opinions are consistently provided prior to submission of draft legal acts transposing the <i>acquis</i>.</li> </ul>

Definitions of key terms and official data classifications used (if applicable)

**EI co-ordination body:** government body (ministry, special unit) formally tasked with carrying out the six EI functions indicated under sub-indicator 6.

Data validation and quality assurance by SIGMA

Documentation provided by the national authorities is validated by experts through interviews and cross-checking with other credible sources of data. The government also subsequently checks the factual accuracy of SIGMA's assessment.

**Principle 3: Harmonised medium-term policy planning is in place, with clear whole-of-government objectives, and is aligned with the financial circumstances of the government; sector policies meet the government objectives and are consistent with the medium-term budgetary framework.**

#### Indicator 2.3.1: Quality of policy planning

This indicator measures the legislative, procedural and organisational set-up established for harmonised policy planning and the quality and alignment of planning documents. It also assesses the outcomes of the planning process (specifically the number of planned legislative commitments and sector strategies carried forward from one year to the next) and the extent to which the financial implications of sectoral strategies are adequately estimated.

Sub-indicators	Maximum points
1. Adequacy of the legal framework for policy planning	7
2. Availability of guidance to line ministries during the policy-planning process	4
3. Alignment between central policy-planning documents	6
4. Planned commitments carried forward in the legislative plan of the government (%)	4
5. Planned sectoral strategies carried forward (%)	4
6. Completeness of financial estimates in sector strategies	5
7. Alignment between planned costs in sector policy plans and medium-term budget (%)	3
Total points	0-5      6-11      12-17      18-23      24-29      30-33
Final indicator value	0      1      2      3      4      5

#### Full description of each sub-indicator

Sub-indicator 1	Adequacy of the legal framework for policy planning
Methodology	Expert review of legislation.
Point allocation	<p>For each of the following seven criteria, 1 point is awarded (total of 7 points):</p> <ul style="list-style-type: none"> <li>• The status of the key government planning documents is established within the legislative framework;</li> <li>• The hierarchy of the key government planning documents is established within the legal framework;</li> <li>• The government-level policy-planning function is delegated to a CoG body;</li> <li>• Legislation stipulates the steps of the planning process (including the approval procedure);</li> <li>• The system for planning the development of sector strategies is formally</li> </ul>

	<p>established;</p> <ul style="list-style-type: none"> <li>• CoG institutions are authorised to provide overall quality control for development of sector strategies;</li> <li>• The legislation requires that sector strategies include information about the cost and funding sources for all measures included in the strategies.</li> </ul>
<b>Sub-indicator 2</b>	<b>Availability of guidance to line ministries during the policy-planning process</b>
Methodology	<p>Expert review of the written guidance and comments provided to line ministries by the CoG institution responsible for policy planning on central planning documents, including the government annual work programme (GAWP) and the medium-term budgetary framework (MTBF), the report on the implementation of the GAWP and the last five sector strategies adopted during the calendar year. Guidance can be provided through meetings or circulated instruction letters, or reactively, as feedback to questions, comments to draft proposals submitted to review. Interviews with representatives from line ministries and the CoG institution(s) responsible for planning.</p>
Point allocation	<p>For each of the following four criteria, 1 point is awarded (total of 4 points):</p> <ul style="list-style-type: none"> <li>• Guidance is provided to line ministries on how to plan and develop sector strategies (1 point if guidance is given for all five sector strategies);</li> <li>• Guidance is provided to line ministries on how to provide input for the GAWP or other equivalent document;</li> <li>• Guidance is provided to line ministries on how to provide input to the MTBF;</li> <li>• Guidance is provided to line ministries on how to report on the implementation of the GAWP.</li> </ul>
<b>Sub-indicator 3</b>	<b>Alignment between central policy-planning documents</b>
Methodology	<p>Expert review of central planning documents approved during the assessment period.</p> <p>The alignment of the priorities of the government's work plan with the priorities of the MTBF is assessed by identifying non-matching priorities between the two documents. No points are awarded if there are no priorities established in either of the documents or more than one inconsistency is identified. An inconsistency is defined as non-matching priorities.</p> <p>The alignment of the government's work plan with the activities foreseen in sector strategies is assessed by analysing a sample of the last five sector strategies. A minimum of 80% of the laws foreseen approved in the action plans for the sample strategies must be included in the government's work plan for that period. To calculate the percentage, assessors identify the number of laws foreseen in the action plans of the last five sector strategies adopted during the last full calendar year in the assessment period that are also included in the government's work plan for the following year, and divide the number by the total number of laws foreseen in the action plans of the five sector strategies. If the strategies or their action plans do not indicate the specific legislative activity, then action plans of sector strategies are not considered to be consistent with the government's work plan.</p> <p>The government is considered to make use of outcome-level indicators in central planning documents if a minimum of 60% of the government's priorities have</p>

	outcome-level indicators
Point allocation	<p>Points are awarded for each of the following criteria (total of 6 points):</p> <ul style="list-style-type: none"> <li>• The priorities of the GAWP are coherent with the priorities of the MTBF (2 points);</li> <li>• Action plans of sector strategies are consistent with the government's work plan (2 points);</li> <li>• Central planning documents include outcome-level indicators for measuring the achievement of the government's priorities (1 point for indicators in the GAWP or equivalent and 1 point for MTBF or equivalent).</li> </ul>
<b>Sub-indicator 4</b>	<b>Planned commitments carried forward in the legislative plan of the government (%)</b>
Methodology	Comparison of the two most recent plans. The number of legislative items that are carried forward from the first plan to the next (items planned for adoption in the first plan, but also included in the next plan due to non-implementation) is divided by the total number of legislative commitments in the first plan. If a separate legislative plan of the government is not available, the laws included in the work plan of the government are used instead.
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = below 20%</li> <li>• 3 points = 20%-29.99%</li> <li>• 2 points = 30%-39.99%</li> <li>• 1 point = 40%-50%</li> <li>• 0 points = more than 50%</li> </ul>
<b>Sub-indicator 5</b>	<b>Planned sectoral strategies carried forward (%)</b>
Methodology	Comparison of publicly available strategy development plans for the two most recent consecutive years (usually the GAWP). The number of sectoral strategies that are carried forward from the first year to the next is divided by the total number of commitments in the first year's plan and expressed as a percentage.
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = below 20%</li> <li>• 3 points = 20%-29.99%</li> <li>• 2 points = 30%-39.99%</li> <li>• 1 point = 40%-50%</li> <li>• 0 points = more than 50%</li> </ul>
<b>Sub-indicator 6</b>	<b>Completeness of financial estimates in sector strategies</b>
Methodology	Review of a sample of the five most recent sector strategies adopted during the latest full calendar year. If the government adopted fewer than five strategies during the assessment period, the last strategies adopted before the assessment period are taken into account, in order to have five samples for review.

Point allocation	<ul style="list-style-type: none"> <li>• 5 points = all five sectoral strategies include total financial cost estimates and full information on the sources of funding for all planned activities.</li> <li>• 4 points = three of the five strategies include complete information about the total financial cost estimates of the planned activities, and donor funding is identified separately.</li> <li>• 3 points = three of the five strategies include complete information about expenditure needs, but information on sources (e.g. donor contributions and clear estimations for state budget financing) is not included.</li> <li>• 2 points = three of the five strategies include information about expenditure needs, but complete information is provided only about additional spending needs (i.e. costs that are not already part of the budget).</li> <li>• 1 point = fewer than three of the five strategies include information about expenditure needs.</li> <li>• 0 points = none of the strategies include information on expenditure needs.</li> </ul>
<b>Sub-indicator 7</b>	<b>Alignment between planned costs in sector policy plans and medium-term budget (%)</b>
Methodology	<p>The degree of alignment (expressed as a percentage) shows the difference in planned funding in the last five strategies adopted by the parliament or the government (excepting national development strategies and economic reform programmes) during the calendar year and the MTBF adopted in the following year. If there are no matches at the level of objectives between the MTBF and the strategies, then possible matches at the level of activities are identified.</p> <p>The method of calculation for each sample strategy is as follows (the value accorded for the sub indicator is the average of the five strategies): the total funding foreseen in the MTBF for the matching costed objectives or activities is divided by the total funding needs of the strategy, and expressed as a percentage.</p> <p>If the strategy covers a longer period than the duration of the MTBF, only the cost of activities/objectives for the duration of the MTBF is taken into account as the total cost of the strategy. If the MTBF includes a higher ceiling for a matching objective/activity, the funding ceiling included in the strategy for that objective/activity is also considered as the MTBF ceiling.</p> <p>If a sample strategy includes no costing information, or there are not matching objectives/activities, the rating for that strategy is 0%. Only the matching objectives or activities are assessed.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = more than 80%</li> <li>• 2 points = 50%-80%</li> <li>• 1 point = 20%-49.99%</li> <li>• 0 points = below 20%</li> </ul>

Definitions of key terms and official data classifications used (if applicable)

**Government work plan:** official document approved by the government that specifies actions to implement government policy/policies.

**Legislative plan:** official document adopted by the government that specifies the acts of primary and secondary legislation to be prepared and adopted by the government (and sometimes also by ministries) over a specific period of time (usually one year or six months).

**Medium-term budgetary framework:** institutional policy instrument adopted by the government that allows the extension of the horizon for fiscal policy making beyond the annual budgetary calendar. It may include planning horizons of varying lengths (e.g. three or four years). It usually relates to all sectors of general government and provides relevant targets (expenditure ceilings) for all of them<sup>7</sup>.

**Sectoral strategies:** documents that set out the government's medium-term or long-term policy goals and ambitions for 1) a specific sector or sectors; or 2) policy issues in a selected area of public policy (e.g. health care, education or culture).

Known limits and bias of data

**Sub-indicator 4: Planned commitments carried forward in the legislative plan of the government (%)**

**Sub-indicator 5: Planned sectoral strategies carried forward (%)**

The proportion of commitments carried forward from one year to the next can depend on the continuity of the planning process. If commitments that are not implemented are simply omitted from the next plan (i.e. are forgotten or overlooked), then the proportion of items carried forward will not adequately illustrate the quality of policy planning. To capture a more complete picture of the quality of planning, it is also necessary to monitor the rate of implementation of commitments. However, if the government develops a limited plan but adopts a large number of policy proposals beyond the implementation of the plan, neither the backlog nor the implementation rate can capture this. Such practices are considered bad planning.

**Sub-indicator 6: Completeness of financial estimates in sector strategies**

Assessment of the accuracy, robustness and reliability of the financial estimates is outside the scope of this sub-indicator.

**Sub-indicator 7: Alignment between planned costs in sector policy plans and medium-term budget (%)**

The precondition for measuring alignment in costing is that objectives and activities are formulated in the MTBF and sector strategies in a manner that makes it possible to identify the connections between objectives and activities that match in content.

Data validation and quality assurance by SIGMA

Documentation provided by the national authorities is validated by experts through interviews and cross-checking with other credible sources of data. The government also subsequently checks the factual accuracy of SIGMA's assessment.

<sup>7</sup>

Sherwood, M. (2015), *Medium-term Budgetary Frameworks in the EU Member States*, Discussion Paper 021, December 2015, Publications Office of the European Union, Luxembourg, [https://ec.europa.eu/info/publications/economy-finance/medium-term-budgetary-frameworks-eu-member-states\\_en](https://ec.europa.eu/info/publications/economy-finance/medium-term-budgetary-frameworks-eu-member-states_en).

**Principle 4: A harmonised medium-term planning system is in place for all processes relevant to European integration and is integrated into domestic policy planning.**

**Indicator 2.4.1: Quality of policy planning for European integration**

This indicator analyses the legislative set-up established for policy planning of the European integration (EI) process and the quality and alignment of planning documents for EI. It also assesses the outcomes of the planning process (specifically the number of planned legislative EI-related commitments carried forward from one year to the next) and the implementation rate of planned EI-related commitments.

Sub-indicators	Maximum points
1. Adequacy of the legislative framework for harmonised planning of EI	2
2. Quality of planning documents for EI	6
3. EI-related commitments carried forward (%)	4
4. Implementation rate of the government's plans for EI-related legislative commitments (%)	4
Total points	0-2      3-5      6-8      9-11      12-14      15-16
Final indicator value	0      1      2      3      4      5

**Full description of each sub-indicator**

Sub-indicator 1	Adequacy of legislative framework for harmonised planning of EI
Methodology	Expert review of legislation.
Point allocation	For each of the following two criteria, 1 point is awarded (total of 2 points): <ul style="list-style-type: none"> <li>• The status of the key EI planning documents is established in legislation;</li> <li>• The legal framework sets the rules and requirements for the development of the central planning documents related to EI.</li> </ul>
Sub-indicator 2	Quality of planning documents for EI
Methodology	Expert review of EI planning documents. Interviews with representatives of the CoG institutions.  The alignment between EI planning documents and the GAWP is assessed by comparing the lists of planned legislative activities from the EI plan with the GAWP. At least 90% of the legislative activities in the EI plan must be included in the GAWP for the plans to be considered as aligned.  Costing of EI planning documents is assessed by analysing information provided about the costs and funding sources of commitments related to implementation. This excludes the development of draft laws, by-laws and strategies, but includes any activities dealing with enforcement of such documents.  EI planning documents are considered to include sufficient cost estimates and

	information about sources of funding, if at least 75% of the commitments related to implementation are costed and if the source of their funding is also provided. If the plan does not include implementation-related activities, then the plan is not considered to be costed
Point allocation	<p>Points are awarded for each of the following criteria (total of 6 points):</p> <ul style="list-style-type: none"> <li>• EI planning documents are aligned with the GAWP (2 points are awarded if at least 90% of the legislative activities in the EI plan are included in the GAWP);</li> <li>• EI planning documents set priorities in time (i.e. include deadlines for activities) and within sectors or negotiation chapters (2 points);</li> <li>• EI planning documents include cost estimates and information about sources of funding (1 point if at least 75% of the commitments costed and 1 point if the source of their funding is provided).</li> </ul>
<b>Sub-indicator 3</b>	<b>EI-related commitments carried forward (%)</b>
Methodology	The proportion of items carried forward (expressed as a percentage) is calculated by comparing the most recent EI plans of two consecutive periods. If there is no separate EI plan and the GAWP includes a comprehensive list of EI commitments, the comparison is based on the GAWP. The number of items carried forward from the first plan to the next is divided by the total number of commitments in the first plan. All EI-related commitments are taken into consideration for the calculation. If the structure of the consecutive plans has substantially changed so that no comparison is possible, no points are awarded.
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = below 20%</li> <li>• 3 points = 20%-29.99%</li> <li>• 2 points = 30%-39.99%</li> <li>• 1 point = 40%-50%</li> <li>• 0 points = more than 50%</li> </ul>
<b>Sub-indicator 4</b>	<b>Implementation rate of the government's plans for EI-related legislative commitments (%)</b>
Methodology	Expert review of the government's work plan or EI plan and the report on their implementation. The implementation rate (expressed as a percentage) is calculated by dividing the number of EI-related legislative commitments included in the plan and approved by the government during the assessment period by the total number of such commitments in the plan. If there is no report, the calculation is based on the list of approved EI-related legislative items provided by the government.
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = more than 90%</li> <li>• 3 points = 80%-90%</li> <li>• 2 point = 70%-79.99%</li> <li>• 1 point = 60%-69.99%</li> <li>• 0 points = below 60%</li> </ul>

Definitions of key terms and official data classifications used (if applicable)

**EI planning documents:** set of official documents adopted by the government (in some cases also approved by the legislature) that specifies the policy priorities and actions related to the process of EI. These include, in particular, the national plan for the adoption of the *acquis*, the Stabilisation and Association Agreement action plan, the national strategy for EI and agreements achieved during negotiations.

**EI-related commitments:** specific non-legislative and legislative activities to be implemented by the government according to the relevant EI planning documents.

Known limits and bias of data

**Sub-indicator 2: Quality of planning documents for EI**

The quality parameters assessed relate to alignment, setting of deadlines, cost estimates and identification of sources of funding. Other quality parameters are outside the scope of this assessment.

Data validation and quality assurance by SIGMA

Documentation provided by the national authorities is validated by experts through interviews and cross-checking with other credible sources of data. The government also subsequently checks the factual accuracy of SIGMA's assessment.

**Principle 5: Regular monitoring of the government's performance enables public scrutiny and supports the government in achieving its objectives.**

**Indicator 2.5.1: Quality of government monitoring and reporting**

This indicator measures the strength of the legal framework regulating reporting requirements, the quality of government reporting documents and the level of public availability of government reports.

Sub-indicators	Maximum points					
1. Adequacy of the legislative framework for monitoring and reporting						8
2. Quality of reporting documents						12
3. Public availability of government reports						5
Total points	0-3	4-7	8-12	13-17	18-21	22-25
Final indicator value	0	1	2	3	4	5

Full description of each sub-indicator	
<b>Sub-indicator 1</b>	<b>Adequacy of the legislative framework for monitoring and reporting</b>
Methodology	Expert review of legislation.
Point allocation	<p>Points are awarded for each of the following criteria (total of 8 points):</p> <ul style="list-style-type: none"> <li>• The legal framework stipulates regular monitoring and reporting on the implementation of key government central-planning documents (budget, government work plan, legislative plan, sector strategies and EI plan) (1 point for each item, up to 5 points). If there is no separate legislative plan and legislative commitments are included in the government work plan, 2 points are awarded if the requirements in the government work plan are met;</li> <li>• The legal framework stipulates that all reports on key governmental central-planning documents issued by a public body must be made publicly available (3 points if this requirement is met for all reports).</li> </ul>
<b>Sub-indicator 2</b>	<b>Quality of reporting documents</b>
Methodology	Expert review of government reporting documents (or other political-level documents, e.g. from parliament) prepared during the assessment period. The reports reviewed are the GAWP implementation report or the legislative plan implementation report (if it is used for monitoring achievement of results), the last five implementation reports for sector strategies adopted in the last full calendar year of the assessment period, and reports on implementation of the national plan for EI (or any report on EI that covers planned activities and their implementation, e.g. negotiation reports).
Point allocation	<p>For each of the following criteria, points are awarded (total of 12 points):</p> <ul style="list-style-type: none"> <li>• The GAWP implementation report includes information on achievement of outputs (2 points);</li> <li>• The GAWP report includes information on achievement of outcomes (3 points);</li> <li>• The report on the implementation of the national plan for EI includes information on achievement of outputs (2 points);</li> <li>• Four out of five sector strategy reports include information on achievement of outputs (2 points);</li> <li>• Four out of five sector strategy reports include information on achievement of outcomes (3 points).</li> </ul>
<b>Sub-indicator 3</b>	<b>Public availability of government reports</b>
Methodology	Expert review of government websites and other government online platforms and systems to verify whether reports prepared during the assessment period are publicly available. For sector strategies, public availability of the last five annual implementation reports adopted in the last full calendar year in the assessment period is reviewed.
Point allocation	<p>For the availability of each of the following government reports, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• annual report on the implementation of the state budget</li> </ul>

- government work plan implementation report
- legislative plan implementation report
- all implementation reports on sector strategies
- all EI plan implementation reports

Definitions of key terms and official data classifications used (if applicable)

**Monitoring:** ongoing process of data gathering and analysis to measure progress in meeting stated government policy objectives and achieving intended performance results (both financial and non-financial) for the purpose of improving performance and/or accountability.

Comparability

#### **Sub-indicator 3: Public availability of government reports**

The following international indices also analyse public availability of government documents, although they are not directly comparable with SIGMA's methodology:

- The World Justice Project Open Government Index Methodology<sup>8</sup> measures, among other things, whether government data is publicly available.
- The International Budget Partnership's Open Budget Survey<sup>9</sup> assesses whether the annual report on the implementation of the state budget is made public no later than 12 months after the end of the fiscal year (the reporting period).

Known limits and bias of data

#### **Sub-indicator 2: Quality of reporting documents**

This sub-indicator assesses reporting of progress 1) against predefined output-level indicators; and 2) against predefined outcome-level indicators. Other quality parameters are outside the scope of this review.

#### **Sub-indicator 3: Public availability of government reports**

This sub-indicator only measures whether documents are made available to the public, not how easy it is to access them. Online availability of relevant documents does not necessarily ensure that they are easily accessible to the citizens and businesses affected. Principle 2 on access to information, in the accountability area, assesses the level of accessibility.

Data validation and quality assurance by SIGMA

Documentation provided by the national authorities is validated by experts through interviews and cross-checking with other credible sources of data. The government also subsequently checks the factual accuracy of SIGMA's assessment.

<sup>8</sup> <http://worldjusticeproject.org/open-government-index/methodology>.

<sup>9</sup> <http://www.internationalbudget.org/wp-content/uploads/OBS2015-Report-English.pdf>.

**Principle 6: Government decisions are prepared in a transparent manner and based on the administration's professional judgement; legal conformity of the decisions is ensured.**

**Indicator 2.6.1: Transparency and legal compliance of government decision making**

This indicator measures the legal framework established for ensuring legally compliant decision making, the consistency of the government in implementation of the established legal framework, the transparency of government decision making, and businesses' perception of the clarity and stability of government policy making.

Sub-indicators	Maximum points
1. Adequacy of the legislative framework for government session procedures	5
2. Consistency of the CoG in setting and enforcing the procedures	4
3. Timeliness of ministries' submission of regular agenda items to the government session (%)	3
4. Openness of the government decision-making process	4
5. Perceived clarity and stability of government policy making by businesses (%)	4
Total points	0-1      2-5      6-9      10-13      14-17      18-20
Final indicator value	<b>0      1      2      3      4      5</b>

**Full description of each sub-indicator**

<b>Sub-indicator 1</b>	<b>Adequacy of the legislative framework for government session procedures</b>
Methodology	Expert review of legislation.
Point allocation	<p>For each of the following criteria, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• The legal framework establishes clear rules and procedures (stipulating deadlines and the roles and responsibilities of the bodies involved) for preparation, follow-up and communication on government sessions;</li> <li>• A CoG body has the authority to ensure a policy proposal's coherence with government priorities and previously announced policies;</li> <li>• A CoG body is granted the authority to oversee the policy development and consultation processes to ensure compliance with the set standards;</li> <li>• The CoG body responsible for legal scrutiny is granted the authority to comment on all legal drafts before they are sent to the government session;</li> <li>• The government office is authorised to review the content of proposals and return items to the ministries if the substance requires further improvement or is inconsistent with government priorities.</li> </ul>
<b>Sub-indicator 2</b>	<b>Consistency of the CoG in setting and enforcing the procedures</b>

<b>Methodology</b>	Expert review of the full package of five approved draft laws (approved in the last government sessions at the end of the latest full calendar year in the assessment period) and the government programme, together with the priorities from the government work plan. Interviews with representatives from the CoG institutions and line ministries.
<b>Point allocation</b>	<p>Points are awarded for the following four criteria if an analysis of samples confirms that these functions have been duly conducted, both in terms of quality control and in the comments provided to line ministries and other government bodies, and within the time frame provided by internal rules and regulations (total of 4 points):</p> <ul style="list-style-type: none"> <li>• Legal drafts are reviewed by the CoG institutions to ensure legal conformity (1 point if all samples indicate that a review was conducted to ensure legal conformity and consistent application of the guidelines for legal drafting<sup>10</sup>);</li> <li>• Drafts submitted are analysed to ensure that the dossiers are complete and submission procedures are followed (1 point if approval is granted exclusively to complete draft packages that have followed submission procedures);</li> <li>• Drafts are reviewed by the CoG institutions to ensure coherence with government priorities and previously announced policies (1 point if all samples indicate that a review was conducted on the basis of content);</li> <li>• Drafts are reviewed to check their financial viability (1 point if all samples indicate that a review of affordability was conducted).</li> </ul>
<b>Sub-indicator 3</b>	<b>Timeliness of ministries' submission of regular agenda items to the government session (%)</b>
<b>Methodology</b>	Analysis of data on the submission of regular agenda items from the line ministries to the CoG institutions. "On time" is understood as being within the procedural criteria set by regulation(s). If deadlines are not set or if this data is not systematically collected, 0 points are awarded.
<b>Point allocation</b>	<ul style="list-style-type: none"> <li>• 3 points = more than 90%</li> <li>• 2 points = 75%-90%</li> <li>• 1 point = 50%-74.99%</li> <li>• 0 points = below 50%</li> </ul>
<b>Sub-indicator 4</b>	<b>Openness of the government decision-making process</b>
<b>Methodology</b>	Expert review of the government decision-making documents and government website. Interviews with representatives from the CoG institutions to ensure that the minutes of formal government sessions are kept and distributed to all interested parties (at a minimum to participants of the session).
<b>Point allocation</b>	<p>For each of the following criteria for the government decision-making process, 1 point is awarded (total of 4 points):</p> <ul style="list-style-type: none"> <li>• The agendas of formal government sessions are made publicly available online prior to the session;</li> <li>• Records of all decisions agreed upon at the government sessions (minutes) are</li> </ul>

<sup>10</sup>

See also sub-indicator 2 under Principle 12: Predictability and consistency of legislation.

	<p>kept and distributed after sessions to all interested parties (at a minimum to participants of the session);</p> <ul style="list-style-type: none"> <li>• Government decisions are made publicly available online;</li> <li>• The government office communicates with the public regularly (during or after each government session) on the key decisions adopted by the government (on the government website or at a press conference).</li> </ul>
<b>Sub-indicator 5</b>	<b>Perceived clarity and stability of government policy making by businesses (%)</b>
Methodology	<p>Analysis of responses by a representative sample of businesses to a Balkan Barometer survey, or similar. The respondents are asked if they agree with the following statement: “Laws and regulations affecting my company are clearly written, not contradictory and do not change too frequently”.</p> <p>Assessors measure the percentage of respondents who answer “strongly agree” or “tend to agree”.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = above 65%</li> <li>• 3 point = 55%-65%</li> <li>• 2 points = 45%-54.99%</li> <li>• 1 point = 40%-44.99%</li> <li>• 0 points = below 40%</li> </ul>

Definitions of key terms and official data classifications used (if applicable)

**Government office:** general secretariat or the office of the prime minister.

Comparability

#### **Sub-indicator 5: Perceived clarity and stability of government policy making by businesses (%)**

The World Economic Forum’s Global Competitiveness Report<sup>11</sup> provides data on how easy it is for businesses in a given country to obtain information about changes in government policies and regulations affecting their activities. This indicator is based on a survey among businesses in all countries included in the Global Competitiveness Index.

Data validation and quality assurance by SIGMA

Documentation provided by the national authorities is validated by experts through interviews and cross-checking with other credible sources of data. The government also subsequently checks the factual accuracy of SIGMA’s assessment. Survey data received from the Balkan Barometer survey, or similar, is checked by SIGMA in terms of compliance with the predefined methodology of the survey. SIGMA also triangulates this data by searching for other sources of information on each topic (e.g. studies prepared by other public bodies and institutions independent of the government).

<sup>11</sup>

<http://reports.weforum.org/global-competitiveness-report-2015-2016/downloads/>

**Principle 7: The parliament scrutinises government policy making.**

**Indicator 2.7.1: Parliamentary scrutiny of government policy making**

This indicator measures the extent to which the parliament is able to scrutinise government policy making. The legal framework is assessed first, followed by an analysis of the functioning of important parliamentary practices and outcomes.

Sub-indicators	Maximum points
1. Strength of regulatory and procedural framework for parliamentary scrutiny of government policy making	5
2. Completeness of supporting documentation for draft laws submitted to the parliament	3
3. Co-ordination of governmental and parliamentary decision-making processes	2
4. Systematic review of parliamentary bills by government	1
5. Alignment between draft laws planned and submitted by the government (%)	2
6. Timeliness of parliamentary processing of draft laws from the government (%)	2
7. Use of extraordinary proceedings for the adoption of government-sponsored draft laws (%)	5
8. Government participation in parliamentary discussions of draft laws	2
9. Basic parliamentary scrutiny of the implementation of policies	2
Total points	0-3      4-7      8-11      12-16      17-20      21-24
Final indicator value	0      1      2      3      4      5

**Full description of each sub-indicator**

<b>Sub-indicator 1</b>	<b>Strength of regulatory and procedural framework for parliamentary scrutiny of government policy making</b>
Methodology	Expert review of the regulatory framework (including rules of procedure of the parliament and legal drafting rules of the parliament and the government).
Point allocation	<p>For each of the following five criteria fulfilled in the regulatory framework, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• Procedures enable the parliament and its committees to debate, scrutinise and amend government policies and programmes;</li> <li>• Procedures enable the parliament to carry out its oversight function over the government (at a minimum, procedures foresee written and oral questions</li> </ul>

	<p>from members of parliament [MPs] to ministers and the participation of ministers or their deputies in the work of the parliament when an issue that is their responsibility is discussed);</p> <ul style="list-style-type: none"> <li>• The legal drafting rules and guidelines followed by the parliament are fully consistent with those followed by the government (i.e. they contain the same requirements for legislative practice and drafting);</li> <li>• Draft laws submitted by the government to the parliament are accompanied by explanatory memorandums or other supporting documents containing an overview of the results of public consultation and the rationale behind the proposal;</li> <li>• Mechanisms are in place to ensure that the government systematically reviews new legislative proposals initiated by the parliament.</li> </ul>
<b>Sub-indicator 2</b>	<b>Completeness of supporting documentation for draft laws submitted to the parliament</b>
Methodology	<p>Expert review of the last five sample draft laws and their supporting materials submitted to the parliament at the end of the last full calendar year. Only draft laws submitted by the government are included. The supporting materials need to include the entire package submitted to the government session, with such documents as:</p> <ul style="list-style-type: none"> <li>• explanatory memorandums</li> <li>• impact assessment reports (if required as part of the package submitted to the government)</li> <li>• summary of the outcome of public consultations (this does not need to be a separate document and can be included in the impact assessment or explanatory memorandum)</li> <li>• tables of concordance (if the draft aligns with EU law)</li> </ul>
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = all five samples include the necessary supporting materials.</li> <li>• 2 points = four of the five samples include the necessary supporting materials.</li> <li>• 0 points = fewer than four samples include the necessary supporting materials.</li> </ul>
<b>Sub-indicator 3</b>	<b>Co-ordination of governmental and parliamentary decision-making processes</b>
Methodology	Interviews with the staff of the parliament's secretariat.
Point allocation	<p>For each of the following two criteria, 1 point is awarded (total of 2 points):</p> <ul style="list-style-type: none"> <li>• Regular meetings (defined as occurring at uniform intervals, based on the assessment of agendas from the last three meetings) are held at the senior administrative level to discuss the agenda and upcoming proposals in advance;</li> <li>• Information about the government's legislative initiatives (including EI and domestic initiatives) is made available to the parliament at least once a year, in line with the parliamentary planning procedures and calendar.</li> </ul>

<b>Sub-indicator 4</b>	<b>Systematic review of parliamentary bills by government</b>
Methodology	Interviews with parliamentary staff and staff of the general secretariat (or equivalent). Expert review of the three most recent bills initiated by MPs at the end of the calendar year preceding the assessment and the comments provided by the government. The government is considered to have systematically reviewed parliamentary bills if the bills were submitted to the government for review, and the government provided its opinion.
Point allocation	<ul style="list-style-type: none"> <li>• 1 point = all three bills were systematically reviewed by the government.</li> <li>• 0 points = two or less of the bills were reviewed by the government.</li> </ul>
<b>Sub-indicator 5</b>	<b>Alignment between planned and submitted draft laws submitted by the government (%)</b>
Methodology	The ratio (expressed as a percentage) is calculated by dividing the number of government-sponsored draft laws originating from annual planning documents (such as the GAWP and EI plan) submitted to the parliament during the last full calendar year by the total number of drafts submitted to the parliament by the government in that period. If there were multiple governments formed within a calendar year, the draft laws submitted to the parliament by these governments are compared against the annual planning documents of these governments, but the overall comparison is given as an aggregate of the entire year.
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = the ratio of planned drafts is above 80%.</li> <li>• 1 point = the ratio of planned drafts is 60%-80%.</li> <li>• 0 points = the ratio of planned drafts is below 60%.</li> </ul>
<b>Sub-indicator 6</b>	<b>Timeliness of parliamentary processing of draft laws from the government (%)</b>
Methodology	The ratio (expressed as a percentage) is calculated by dividing the number of government-sponsored laws (new laws and amendments) submitted to the parliament during the year prior to the latest full calendar year, and adopted or rejected within a year, by the total number of pieces of legislation submitted by the government to the parliament within the same period.
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = 90%-100% of draft laws are processed in time.</li> <li>• 1 point = 80%-89.99% of draft laws are processed in time.</li> <li>• 0 points = fewer than 80% of draft laws are processed in time.</li> </ul>
<b>Sub-indicator 7</b>	<b>Use of extraordinary proceedings for the adoption of government-sponsored draft laws (%)</b>
Methodology	The ratio (expressed as a percentage) is calculated by dividing the number of government-sponsored laws (new laws and amendments) adopted by the parliament during the full calendar year preceding the assessment in extraordinary proceedings (e.g. in urgent, shortened or simplified proceedings) by the total number of government-sponsored laws adopted by the parliament within the same full calendar year.

Point allocation	<ul style="list-style-type: none"> <li>● 5 points = below 2%</li> <li>● 4 points = 2%-5.99%</li> <li>● 3 points = 6%-9.99%</li> <li>● 2 points = 10%-13.99%</li> <li>● 1 point = 14%-18%</li> <li>● 0 points = more than 18%</li> </ul>
<b>Sub-indicator 8</b>	<b>Government participation in parliamentary discussions of draft laws</b>
Methodology	Statistics from the secretariat of the parliament concerning participation of government's representatives in the sessions of the committees and in plenary sessions. Interviews with the staff of the parliament for verification of participation if statistics are not available.
Point allocation	<p>For each of the following two criteria on government representation in the parliament, 1 point is awarded (total of 2 points):</p> <ul style="list-style-type: none"> <li>● In plenary sessions of the parliament, as a general rule, the government is represented at the political level (by ministers or their deputies) when issues under their responsibility are being discussed;</li> <li>● In committee sessions of the parliament, the government is always represented at the political and/or administrative level (civil servants of ministries), if invited by the parliament.</li> </ul>
<b>Sub-indicator 9</b>	<b>Basic parliamentary scrutiny of the implementation of policies</b>
Methodology	Interviews with parliamentary staff to determine if the parliament has a practice of discussing reports on implementation of policies (including laws), as well as a review of agendas and minutes of the sessions during which the reports were discussed. Evidence of discussion on at least one implementation report is sufficient.
Point allocation	<ul style="list-style-type: none"> <li>● 2 points = parliament scrutinises implementation of policies.</li> <li>● 0 points = parliament does not scrutinise implementation of policies.</li> </ul>

Definitions of key terms and official data classifications used (if applicable)

**Government-sponsored laws:** laws adopted by the legislature that have been proposed by the government, rather than by other entitled parties, such as individual members of the parliament, parliamentary political groups or parliamentary committees (even if those drafts are later approved/agreed by the government).

Known limits and bias of data

#### **Sub-indicator 9: Basic parliamentary scrutiny of implementation of policies**

There are no strict criteria for assessing the existence of such mechanisms of parliamentary scrutiny.

Data validation and quality assurance by SIGMA

Documentation provided by the national authorities is validated by experts through interviews and cross-checked with other credible sources of data. The government also subsequently checks the factual accuracy of SIGMA's assessment.

## Policy development

**Principle 8: The organisational structure, procedures and staff allocation of the ministries ensure that developed policies and legislation are implementable and meet government objectives.**

Indicator 2.8.1: Adequacy of organisation and procedures for supporting the development of implementable policies
This indicator measures the adequacy of the regulatory framework to promote effective policy making, and whether staffing levels and the basic policy-making process work adequately at the level of ministries.

Sub-indicators	Maximum points					
1. Adequacy of the regulatory framework for effective policy making	4					
2. Staffing of policy-development departments (%)	2					
3. Adequacy of policy-making processes at ministry level in practice	6					
Total points	0	1-2	3-5	6-8	9-10	11-12
Final indicator value	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

Full description of each sub-indicator	
<b>Sub-indicator 1</b>	<b>Adequacy of the regulatory framework for effective policy making</b>
Methodology	Expert review of regulations
Point allocation	<p>For each of the following four criteria fulfilled in the regulatory framework, 1 point is awarded (total of 4 points):</p> <ul style="list-style-type: none"> <li>• Ministries (not their subordinated bodies or independent agencies) have the ultimate responsibility for policy development and legislative drafting;</li> <li>• The roles and responsibilities of ministerial departments responsible for policy development, policy co-ordination, EI co-ordination, legislative drafting and implementation functions are established;</li> <li>• Internal policy-development and legislative-drafting procedures of ministries are prescribed;</li> <li>• The responsibility for leading policy development and legislative drafting in ministries is assigned to at least the level of deputy secretary-general or deputy minister.</li> </ul>
<b>Sub-indicator 2</b>	<b>Staffing of policy-development departments (%)</b>
Methodology	Analysis of the ratio of staff in policy-development departments to the total staff of ministries (expressed as a percentage), based on four selected ministries: the ministry responsible for agriculture, the ministry responsible for trade/economy, the ministry responsible for the environment and the ministry responsible for social affairs or the equivalent. The ratio is calculated by dividing the number of staff in ministerial policy-development departments (including departments leading on

	sector policies, legal, analytical and EI departments) by the total number of staff of the ministry, including staff working in any structural units of the ministry who work on enforcement and inspection.
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = the ratio of staff in policy-development departments is above 30% in all four ministries.</li> <li>• 1 point = the ratio of staff in policy-development departments is above 30% in at least three of the ministries.</li> <li>• 0 points = none of the above applies.</li> </ul>
<b>Sub-indicator 3</b>	<b>Adequacy of policy-making processes at ministry level in practice</b>
Methodology	Expert review of regulations and interviews with selected heads of departments and staff members of the four ministries. Expert review of the full package of the three most recent policy proposals (draft legislation or strategy) submitted to the government for approval.
Point allocation	<p>For each of the following three criteria, 2 points are awarded (total of 6 points):</p> <ul style="list-style-type: none"> <li>• Ministries (not subordinate agencies) submit draft regulations and policies to the government;</li> <li>• The roles and responsibilities of different departments and units within a ministry during a policy-development process are clearly established and consistently followed in practice;</li> <li>• The policy-development work within ministries follows the established internal rules and policy-development process established by regulations or approved internal guidelines. At a minimum, all relevant internal ministerial departments and units are consulted before the draft package is sent for interministerial consultation or submitted to the government for final approval.</li> </ul>

#### Definitions of key terms and official data classifications used (if applicable)

**Policy-development departments:** units in the ministries dealing with the policy areas under the ministry's responsibility, legal departments, analytical departments, EI and policy co-ordination departments. This excludes units that provide auxiliary and administrative services.

**Independent agencies:** agencies subordinate to the parliament or directly to the government and which exercise autonomous authority over some area of activity in a regulatory or supervisory capacity (e.g. telecommunications regulatory body, energy regulatory body, etc.).

#### Known limits and bias of data

#### **Sub-indicator 3: Adequacy of policy-making processes at ministry level in practice**

This sub-indicator focuses on whether the policy-development machinery performs the minimum actions expected. The quality of policy documents and whether they lead to meaningful results for citizens are outside the scope of the assessment.

#### Data validation and quality assurance by SIGMA

Documentation provided by the national authorities is validated by experts through interviews and cross-checking with other credible sources of data. The government also subsequently checks the factual accuracy of SIGMA's assessment.

**Principle 9: The European integration procedures and institutional set-up form an integral part of the policy-development process and ensure systematic and timely transposition of the European Union *acquis*.**

<b>Indicator 2.9.1: Government capability for aligning national legislation with the European Union <i>acquis</i></b>	
This indicator measures the adequacy of the legal framework for the <i>acquis</i> alignment process, the government's consistency in using tables of concordance in the <i>acquis</i> alignment process and the availability of the <i>acquis</i> in the national language. It also assesses the results of the <i>acquis</i> alignment process, focusing on the planned <i>acquis</i> alignment commitments carried forward from one year to the next and how the government is able to achieve its <i>acquis</i> alignment objectives.	
Sub-indicators	Maximum points
1. Adequacy of the regulatory framework for the <i>acquis</i> alignment process	5
2. Use of tables of concordance in the <i>acquis</i> alignment process (%)	2
3. Translation of the <i>acquis</i> into the national language	2
4. <i>Acquis</i> alignment commitments carried forward (%)	4
5. Implementation rate of legislative commitments for <i>acquis</i> alignment (%)	4
Total points	0-2      3-5      6-8      9-11      12-14      15-17
Final indicator value	0      1      2      3      4      5

<b>Full description of each sub-indicator</b>	
<b>Sub-indicator 1</b>	<b>Adequacy of the regulatory framework for the <i>acquis</i> alignment process</b>
Methodology	Expert review of regulations.
Point allocation	<p>For each of the following five criteria fulfilled in the regulatory framework, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• The responsibilities of the ministries and other government bodies in the <i>acquis</i> alignment process are established (at a minimum, there must be a body or bodies responsible for planning, co-ordinating and monitoring the <i>acquis</i> alignment process, as well as for ensuring conformity with national legislation);</li> <li>• Proposals dealing with alignment of the <i>acquis</i> are subject to the same requirements as domestic policy proposals in the analysis of their financial and institutional impacts;</li> <li>• Interministerial co-ordination provides for conflict resolution during the <i>acquis</i> alignment process;</li> <li>• The use of tables of concordance is obligatory during the <i>acquis</i> alignment process;</li> <li>• Interministerial and public consultation on EI matters follows the same procedural steps as the consultation process on domestic policy proposals.</li> </ul>

<b>Sub-indicator 2</b>	<b>Use of tables of concordance in the <i>acquis</i> alignment process</b>
Methodology	Expert review of the last five <i>acquis</i> alignment cases (laws and by-laws) approved by the government at the end of the last full calendar year in the assessment period.
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = all five cases include the table of concordance.</li> <li>• 1 point = four of the five cases include the table of concordance.</li> <li>• 0 points = fewer than four cases include the table of concordance.</li> </ul>
<b>Sub-indicator 3</b>	<b>Translation of the <i>acquis</i> into the national language</b>
Methodology	Expert verification of the availability of translations for the five most recently adopted EU legislative acts to be transposed into the local legislation.
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = all five legal acts have been translated.</li> <li>• 1 point = four of the five legal acts have been translated.</li> <li>• 0 points = fewer than four legal acts have been translated.</li> </ul>
<b>Sub-indicator 4</b>	<b><i>Acquis</i> alignment commitments carried forward (%)</b>
Methodology	The proportion of items carried forward (expressed as a percentage) is calculated by reviewing two consecutive plans of publicly available central planning documents containing <i>acquis</i> alignment commitments (e.g. GAWP, EI plan), taking into account commitments (draft laws and by-laws related to transposition of EU directives) carried forward from one plan to the next. If the structure of the planning documents has changed substantially from one year to the next, 0 points are awarded.
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = below 20%</li> <li>• 3 points = 20%-29.99%</li> <li>• 2 points = 30%-39.99%</li> <li>• 1 point = 40%-50%</li> <li>• 0 points = more than 50%</li> </ul>
<b>Sub-indicator 5</b>	<b>Implementation rate of legislative commitments for <i>acquis</i> alignment (%)</b>
Methodology	Analysis of central planning documents containing <i>acquis</i> alignment commitments (e.g. GAWP, EI plan) and respective implementation reports to assess the approval rate of planned draft legal acts (laws and by-laws) to be developed for the purpose of <i>acquis</i> alignment. The implementation rate (expressed as a percentage) is calculated by dividing the number of draft legal acts dealing with <i>acquis</i> alignment approved by the government by the total number of such acts planned for approval by the government for the last full calendar year.
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = more than 90%</li> <li>• 3 points = 80%-90%</li> <li>• 2 points = 70%-79.99%</li> <li>• 1 point = 60%-69.99%</li> <li>• 0 points = less than 60%</li> </ul>

Definitions of key terms and official data classifications used (if applicable)

**Table of concordance:** report prepared in the form of a table describing the level of compliance of the proposed national legislation with the relevant *acquis*.

**Acquis:** the body of common rights and obligations that is binding on all EU member countries<sup>12</sup>.

Known limits and bias of data

**Sub-indicator 5: Implementation rate of legislative commitments for *acquis* alignment (%)**

This indicator does not provide comprehensive assessment of the quality and level (full or partial) of *acquis* alignment, nor is it a measure of *acquis* alignment (as measured by Eurostat).

Data validation and quality assurance by SIGMA

Documentation provided by the national authorities is validated by experts through interviews and cross-checking with other credible sources of data. The government also subsequently checks the factual accuracy of SIGMA's assessment.

**Principle 10: The policy-making and legal-drafting process is evidence-based, and impact assessment is consistently used across ministries.**

**Indicator 2.10.1: Evidence-based policy making**

This indicator measures the functioning of evidence-based policy making. It assesses the legal requirements and practice regarding the use of basic consultative processes, budgetary impact assessment and broad impact assessment. Moreover, it assesses the availability of training and guidance documents for impact assessment, the establishment of the quality control function, and the quality of analysis supporting the approval of draft laws.

Sub-indicators	Maximum points
1. Regulation and use of basic analytical tools and techniques to assess the potential impact of draft new laws	2
2. Regulation and use of budgetary impact assessment prior to approval of policies	3
3. Regulation and use of Regulatory Impact Assessments	3
4. Availability of guidance documents on impact assessment	2
5. Quality control of impact assessment	3
6. Quality of analysis in impact assessment	15
Total points	0-2      3-7      8-12      13-18      19-23      24-28
Final indicator value	0      1      2      3      4      5

<sup>12</sup>

[https://ec.europa.eu/neighbourhood-enlargement/policy/glossary/terms/acquis\\_en](https://ec.europa.eu/neighbourhood-enlargement/policy/glossary/terms/acquis_en)

Full description of each sub-indicator	
<b>Sub-indicator 1</b>	<b>Regulation and use of basic analytical tools and techniques to assess the potential impact of new draft laws</b>
Methodology	Expert review of regulations and analysis of five examples of draft new laws, to identify if the required processes are followed routinely in practice. The examples must be approved by the government during the year prior to the latest full calendar year (except those laws that approve or amend the state budget and ratify international agreements). Basic analytical tools and techniques include, at a minimum, discussions with other relevant ministries or stakeholders.
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = the use of basic analytical tools and techniques is required by regulations and is followed routinely in practice (in at least 4 cases reviewed).</li> <li>• 1 point = the use of basic analytical tools and techniques is required by regulations but is not followed routinely in practice (followed in 3 cases or fewer).</li> <li>• 0 points = the use of basic analytical tools and techniques is not required by regulations.</li> </ul>
<b>Sub-indicator 2</b>	<b>Regulation and use of budgetary impact assessment prior to approval of policies</b>
Methodology	Expert review of regulations, interviews with representatives of the relevant quality control body and analysis of five examples of draft new laws to identify if the required processes are followed routinely in practice. The examples must be approved by the government during the year prior to the latest full calendar year (except those laws that approve or amend the state budget and ratify international agreements).
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = analysis of the budget impact of policies is required by regulations and is followed routinely in practice (in all of the cases reviewed).</li> <li>• 2 points = analysis of the budget impact of policies is required by regulations and is followed in 3 or 4 of the cases reviewed.</li> <li>• 1 point = analysis of the budget impact of policies is required by regulations but is not followed routinely in practice (fewer than 3 of the cases reviewed include budget impact assessment).</li> <li>• 0 points = analysis of the budget impact of policies is not required by regulations.</li> </ul>
<b>Sub-indicator 3</b>	<b>Regulation and use of broad Regulatory Impact Assessments</b>
Methodology	Expert review of regulations, interviews with representatives of the relevant quality control body and analysis of five sample draft new laws to identify if the use of Regulatory Impact Assessment (RIA) is regulated and applied in practice. RIAs must cover a wide range of impacts, such as social, economic and environmental. The examples must be approved by the government during the year prior to the latest full calendar year (except those laws that approve or amend the state budget and ratify international agreements).
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = Regulatory Impact Assessment (RIA) of new or amended policies is required by regulation and is carried out in practice (in all of the cases</li> </ul>

	<p>reviewed).</p> <ul style="list-style-type: none"> <li>• 2 points = broad RIA of new or amended policies is required by regulations and is followed in 3 or 4 of the cases reviewed.</li> <li>• 1 point = broad RIA is required by regulations but is not followed routinely in practice (fewer than 3 of the cases reviewed include broad RIA).</li> <li>• 0 points = broad RIA is not required by regulations.</li> </ul>
<b>Sub-indicator 4</b>	<b>Availability of guidance documents on impact assessments</b>
Methodology	Interviews with civil servants, analysis of guidance documents.
Point allocation	<p>For each of the following criteria, 1 point is awarded (total of 2 points):</p> <ul style="list-style-type: none"> <li>• The up-to-date version of the national guidance document on impact assessment is available from a government or ministry website;</li> <li>• The guidance document(s) include practical information (e.g. good examples of completed RIAs) and methodologies on how to estimate the costs and benefits of policy proposals.</li> </ul>
<b>Sub-indicator 5</b>	<b>Quality control of RIAs</b>
Methodology	<p>Expert review of regulations and organisational structures to verify the existence of a central unit (or units), placed within the CoG or a line ministry, that provide(s) oversight and quality control for impact assessment. The quality assurance functions of this unit include setting the minimum standards and requirements for the quality of analysis and ensuring compliance with the minimum standards and requirements for impact assessments and their development process (including the right to return impact assessment reports for revision to the originating body when the quality of the report is inadequate).</p> <p>Analysis of five sample draft new laws with the comments provided by the unit(s) to identify whether they fulfil their responsibilities. The examples must be approved by the government during the year prior to the latest full calendar year (except those laws that approve or amend the state budget and ratify international agreements).</p>
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = one or more units are responsible for quality assurance of the impact assessments for drafts approved by the government and fulfil the functions as specified in the methodology above.</li> <li>• 2 points = several units are responsible for quality assurance of the impact assessments for drafts approved by the government and at least one of the units (e.g. ministry of finance regarding quality control on costing) fulfils some but not all of the functions.</li> <li>• 0 points = regulations do not designate a specific unit to perform quality assurance of the impact assessments for drafts approved by the government.</li> </ul>
<b>Sub-indicator 6</b>	<b>Quality of analysis in impact assessments</b>
Methodology	Expert analysis of impact assessments for five draft new laws submitted to the government for approval. The examples must be approved by the government during the year prior to the latest full calendar year (except those laws that approve or amend the state budget and ratify international agreements).

Point allocation	<p>Points are awarded for each of the following five criteria, with 3 points awarded if all five of the cases reviewed meet the criterion, 2 points for four of the cases and 1 point for three of the cases (total of 15 points):</p> <ul style="list-style-type: none"><li>• The draft law contains a definition of the problem, policy objectives and justification for government intervention through a new policy or legislative change;</li><li>• The draft law considers an alternative option aside from the status quo and developing a new regulation;</li><li>• The draft law provides a reasonable assessment of costs (including indication of the source or sources of funding for costs occurring in all affected impact areas) and the benefits of at least the preferred option, which helps to explain why the preferred option is selected;</li><li>• The draft law analyses implementation and enforcement issues by providing information on how and by whom the policy is likely to be implemented;</li><li>• The draft law includes a description of mechanisms to be used for monitoring and evaluating progress for, and identifying obstacles to, successful implementation of the policy.</li></ul>
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#### Definitions of key terms and official data classifications used (if applicable)

**Regulatory Impact Assessment:** a systemic approach to assessing the positive and negative effects of proposed regulations and non-regulatory alternatives. A range of different analytical methods can be used. The analysis usually covers a wide range of impacts, including economic, social and environmental impacts.

**Budgetary impact assessment:** an estimation of the financial consequences of adopting a new intervention (policy or legal act).

#### Comparability

##### **Sub-indicator 6: Quality of analysis in impact assessments**

A noncomparable measure of the quality of impact assessments is provided for OECD member countries in the Indicators of Regulatory Policy and Governance 2015<sup>13</sup>. The Sustainable Governance Indicators also provide a measure of the quality and application of RIAs, based on expert judgement<sup>14</sup>.

#### Known limits and bias of data

##### **Sub-indicator 6: Quality of analysis in impact assessments**

There is no uniform standard of assessment of the quality of impact assessments.

#### Data validation and quality assurance by SIGMA

Documentation provided by the national authorities is validated by experts through interviews and cross-checking with other credible sources of data. The government also subsequently checks the factual accuracy of SIGMA's assessment.

<sup>13</sup> <http://www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm>.

<sup>14</sup> [http://www.sgi-network.org/2016/Governance/Executive\\_Capacity/Evidence-based\\_Instruments](http://www.sgi-network.org/2016/Governance/Executive_Capacity/Evidence-based_Instruments).

**Principle 11: Policies and legislation are designed in an inclusive manner that enables the active participation of society and allows for co-ordination of different perspectives within the government.**

**Indicator 2.11.1: Public consultation on public policy**

This indicator measures the implementation of public consultation processes in developing policies and legislation. It assesses the regulatory framework, the establishment of the quality control function on public consultation and the consistency in publishing draft laws for written public consultation online, and tests whether minimum standards for public consultations were upheld for approved draft laws.

Sub-indicators	Maximum points					
1. Adequacy of the regulatory framework for an effective public consultation process						10
2. Quality assurance of the public consultation process						3
3. Regularity in publishing draft laws for written public consultation						4
4. Test of public consultation practices						24
Total points	0-6	7-13	14-20	21-27	28-34	35-41
Final indicator value	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

**Full description of each sub-indicator**

Sub-indicator 1	<b>Adequacy of the regulatory framework for an effective public consultation process</b>
Methodology	Expert review of regulations.
Point allocation	<p>Points are awarded for each of the following criteria fulfilled in the regulatory framework (total of 10 points):</p> <ul style="list-style-type: none"> <li>• A regulation is in place that sets out procedures for public consultation (1 point);</li> <li>• Public consultation is required for both draft laws and draft secondary legislation adopted by the government (1 point);</li> <li>• There is an obligation to inform those likely to be affected by the policy changes and other stakeholders in advance that a public consultation is to take place (1 point);</li> <li>• A minimum duration for written public consultation is established (1 point).</li> <li>• There is an obligation for the lead ministry to report on the outcome of public consultation as part of the documentation submitted with the agenda items for government sessions, including the list of comments submitted and feedback to them (whether accepted/not accepted and, if not accepted, an explanation) (2 points);</li> <li>• There is an obligation to make the report on the outcome of public consultation available to the public (2 points);</li> </ul>

	<ul style="list-style-type: none"> <li>• There is an obligation to make available for public consultation other relevant policy documents (e.g. explanatory notes, RIAs) that are to be published with the draft law or regulation in addition to the draft regulation itself (2 points).</li> </ul>
<b>Sub-indicator 2</b>	<b>Quality assurance of the public consultation process</b>
Methodology	Expert review of regulations and analysis of five draft new laws with the comments provided by the quality assurance institution to identify whether the unit(s) fulfil(s) its/their responsibilities. The examples must be approved by the government during the year prior to the latest full calendar year (except those laws that approve or amend the state budget and ratify international agreements).
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = a unit (or more than one unit) is responsible for checking the process and outcomes of the public consultation, and the responsible unit (or units) fulfils these responsibilities and provides quality assurance for public consultations.</li> <li>• 1 point = an institution (or more than one institution) is responsible for checking the execution and outcomes of the public consultation process, but the responsible institution (or institutions) is not fully carrying out these responsibilities.</li> <li>• 0 points = no institution is checking the process and quality of the outcomes of the public consultation.</li> </ul>
<b>Sub-indicator 3</b>	<b>Regularity in publishing draft laws for written public consultation</b>
Methodology	Expert review of the websites of four ministries (or a centralised web-based tool for written public consultation, if one exists) to compare the total number of draft laws submitted to the government (based on the reports on the implementation of the GAWP or similar) with the number of draft laws for which written public consultation was carried out. The four ministries to be reviewed are the ministry responsible for agriculture, the ministry responsible for trade/economy, the ministry responsible for the environment and the ministry responsible for social affairs or the equivalent. These ministries are selected because they all are involved in EI issues.
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = all four ministries publish at least 80% of their draft laws for written public consultations.</li> <li>• 3 points = at least two of the four ministries publish at least 80% of draft laws for written public consultations and the other two ministries publish at least 50% of the draft laws for written public consultations.</li> <li>• 2 points = all four ministries publish at least 50% of their draft laws for written public consultations.</li> <li>• 1 point = at least two of the four ministries publish at least 50% of draft laws for written public consultations.</li> <li>• 0 points = three or all four of the four ministries fail to publish at least 50% of their draft laws for written public consultations.</li> </ul>
<b>Sub-indicator 4</b>	<b>Test of public consultation practices</b>
Methodology	Expert analysis of five draft new laws submitted to the government for approval and the public consultation processes carried out for them. The examples must be approved by the government during the year prior to the latest full calendar year (except those laws that approve or amend the state budget and ratify international

	agreements).
Point allocation	<p>Points are awarded for each of the following eight criteria, with 3 points awarded if all five of the cases reviewed meet the criterion, 2 points for four of the cases and 1 point for three of the cases (total of 24 points):</p> <ul style="list-style-type: none"><li>• Those likely to be affected by the policy changes and other stakeholders were informed in advance that a public consultation was to take place (with information indicating the time of the consultation and the manner in which it would be conducted);</li><li>• Other forms of public consultation were used in addition to written public consultation (e.g. informal discussion, establishment of working groups);</li><li>• Written public consultation respected the minimum duration requirements established by the legal framework;</li><li>• Comments were made by at least one organisation;</li><li>• The outcome of public consultation was reported on as a part of the documentation submitted with the agenda items for government sessions;</li><li>• The report on the outcome of public consultation (as a stand-alone document or part of the explanatory memorandum) was made available to the public online for written public consultations) or sent to the participants of the consultation exercise (in case of direct consultations);</li><li>• The report on the outcome of public consultation (as a stand-alone document or part of the explanatory memorandum) included explanations for not accepting proposals made by the stakeholders or, in the case of partial acceptance, explanations on which part was accepted and the reasons for not accepting the entire proposal;</li><li>• A document containing the substantiation and analysis behind the elaboration of the draft (e.g. explanatory note, RIA report or other documents containing clear information on the issues and questions at stake) was made available for public consultation in addition to the draft regulation.</li></ul>

#### Definitions of key terms and official data classifications used (if applicable)

**Public consultations:** process through which the government actively seeks the opinions of interested and affected groups for a policy or legislative initiative. A two-way flow of information, it may take place at any stage of policy development, from problem identification to evaluation of existing regulation. Key standards of public consultations are defined in the UK Government's Code of Practice on Consultation 2016<sup>15</sup>.

<sup>15</sup> HM Government (2008), *Code of Practice on Consultation: The Seven Consultation Criteria*, p. 4, [https://ec.europa.eu/info/publications/economy-finance/medium-term-budgetary-frameworks-eu-member-states\\_en](https://ec.europa.eu/info/publications/economy-finance/medium-term-budgetary-frameworks-eu-member-states_en).

## Comparability

### **Sub-indicator 3: Regularity and consistency in carrying out written public consultation**

### **Sub-indicator 4: Test of public consultation practices**

No comparable measures exist, however the extent of stakeholders' engagement with regard to the process of drafting government regulations is measured for OECD countries in the Indicators of Regulatory Policy and Governance 2015<sup>16</sup>. The Sustainable Governance Indicators also provide an assessment for EU and OECD member countries on whether the government interacts with non-governmental actors. This is labelled "Executive Accountability". Assessment is based on expert judgement<sup>17</sup>.

## Known limits and bias of data

### **Sub-indicator 4: Test of public consultation practices**

This sub-indicator is based on a sample of the last five draft laws approved by the government at the end of the last full calendar year in the assessment period. This is not a representative sample, but provides a snapshot of performance over a limited period.

## Data validation and quality assurance by SIGMA

Documentation provided by the national authorities is validated by experts through interviews and cross-checking with other credible sources of data. The government also subsequently checks the factual accuracy of SIGMA's assessment.

## Indicator 2.11.2: Interministerial consultation on public policy

This indicator measures the adequacy of the regulatory framework for the interministerial consultation process and tests the system in practice for five draft laws.

Sub-indicators	Maximum points					
1. Adequacy of the regulatory framework for an effective interministerial consultation process						9
2. Test of interministerial consultation practices						12
Total points	0-2	3-6	7-10	11-14	15-18	19-21
Final indicator value	0	1	2	3	4	5

## Full description of each sub-indicator

Sub-indicator 1	Adequacy of the regulatory framework for an effective interministerial consultation process
Methodology	Expert review of regulations.

<sup>16</sup> <http://www.oecd.org/gov/regulatory-policy/indicators-regulatory-policy-and-governance.htm>.

<sup>17</sup> [http://www.sgi-network.org/2016/Governance/Executive\\_Accountability](http://www.sgi-network.org/2016/Governance/Executive_Accountability).

	<p>The regulation must stipulate a clear minimum duration for interministerial consultation, which the author ministry of the draft cannot shorten on its own initiative. A maximum duration of the consultation process (within which the author ministry can, on its own initiative, set a shorter deadline for responding to other ministries) is not considered sufficient for awarding points.</p> <p>Regulations can stipulate the obligation to inform the government about the outcomes of the consultation process either by a table of opinions and responses or in any similar way.</p> <p>For interministerial co-ordination and conflict resolution mechanisms to be considered as integrated into the decision-making process at the top administrative level it must, at a minimum, be possibility to discuss outstanding conflicting views of line ministries at the top administrative-level meeting prior to discussion in the government.</p>
Point allocation	<p>Points are awarded for each of the following six criteria fulfilled in the regulatory framework (total of 9 points):</p> <ul style="list-style-type: none"> <li>• Regulations set out the procedure for interministerial consultation (1 point);</li> <li>• A minimum duration is set for written interministerial consultation (2 points);</li> <li>• The obligation to consult the CoG bodies is stipulated (including the line ministries that act as CoG bodies) (1 point);</li> <li>• The obligation to consult all affected government bodies is stipulated (1 point);</li> <li>• The obligation to inform the government about the outcomes of the consultation process is stipulated (2 points);</li> <li>• Interministerial co-ordination and conflict resolution mechanisms are built into the decision-making process at the top administrative level (2 points).</li> </ul>
<b>Sub-indicator 2</b>	<b>Test of interministerial consultation practices</b>
Methodology	<p>Expert analysis of five draft new laws submitted to the government for approval and the interministerial consultation processes carried out for them. The laws must be approved by the government during the year prior to the latest full calendar year (except those laws that approve or amend the state budget and ratify international agreements). Interviews with four line ministries (the ministry responsible for agriculture, the ministry responsible for trade/economy, the ministry responsible for the environment and the ministry responsible for social affairs or the equivalent) and CoG bodies to check compliance with criteria 1-3, below.</p>
Point allocation	<p>Points are awarded for each of the following four criteria, with 3 points awarded if all five cases reviewed meet the criterion, 2 points for four cases and 1 point for three cases (total of 12 points):</p> <ul style="list-style-type: none"> <li>• Written interministerial consultation respects the minimum duration requirements established by the legal framework;</li> <li>• CoG bodies are consulted;</li> <li>• All affected ministries are consulted across the government;</li> <li>• All opinions gathered are addressed in the final policy proposal submitted to the government or in the accompanying documents (e.g. table of opinions and responses).</li> </ul>

Definitions of key terms and official data classifications used (if applicable)

**Interministerial consultation:** process to co-ordinate the content of policy proposals across the government.

Comparability

**Sub-indicator 2: Test of interministerial consultation practices**

No comparable measures exist. However, the Sustainable Governance Indicators provide an assessment of the OECD and EU member countries on whether government decision making is co-ordinated across institutional lines. Assessment is based on expert judgement<sup>18</sup>.

Known limits and bias of data

**Sub-indicator 2: Test of interministerial consultation practices**

This sub-indicator is based on a sample of the last five draft laws approved by the government during the assessment period. This is not a representative sample, but provides a snapshot of performance over a limited period.

Data validation and quality assurance by SIGMA

Documentation provided by the national authorities is validated by experts through interviews and cross-checking with other credible sources of data. The government also subsequently checks the factual accuracy of SIGMA's assessment.

**Principle 12: Legislation is consistent in structure, style and language; legal drafting requirements are applied consistently across ministries; legislation is made publicly available.**

**Indicator 2.12.1: Predictability and consistency of legislation**

This indicator measures the predictability and consistency of legislation. It assesses the availability of training and guidance along with the establishment of the quality control function. The consistency of laws is assessed based on the ratio of laws amended one year after adoption, and predictability is assessed through the perceived consistency of interpretation of business regulations.

Sub-indicators	Maximum points
1. Availability of guidance documents on legal drafting	2
2. Quality assurance on legal drafting	3
3. Laws amended one year after adoption (%)	3
4. Perceived clarity and stability of government policy making by businesses (%)	2
Total points	0      1-2      3-4      5-6      7-8      9-10

<sup>18</sup>

[http://www.sgi-network.org/2016/Governance/Executive\\_Capacity/Interministerial\\_Coordination](http://www.sgi-network.org/2016/Governance/Executive_Capacity/Interministerial_Coordination)

Final indicator value	0	1	2	3	4	5
<b>Full description of each sub-indicator</b>						
<b>Sub-indicator 1</b>	<b>Availability of guidance documents on legal drafting</b>					
Methodology	Expert review of guidance documents and government websites.					
Point allocation	For each of the following two criteria, 1 point is awarded (total of 2 points): <ul style="list-style-type: none"> <li>The national guidance document(s) on legal drafting consistently details draft formalities and arrangements, including how to enact and initiate laws and transitional issues;</li> <li>The up-to-date version of the guidance document on legal drafting is available online.</li> </ul>					
<b>Sub-indicator 2</b>	<b>Quality assurance on legal drafting</b>					
Methodology	Expert review of regulations and analysis of five draft legislation packages (last approved during government sessions during the assessment period) along with the comments provided by the quality assurance unit, to identify whether the unit fulfils its responsibilities for ensuring legal conformity and consistent application of the guidelines for legal drafting. The unit is considered as fulfilling its functions if at least four of the five cases indicate that a review was conducted to ensure legal conformity and consistent application of the guidelines for legal drafting <sup>19</sup> . Interviews with representatives from the quality assurance unit and line ministries.					
Point allocation	<ul style="list-style-type: none"> <li>3 points = a quality-control body has been established for ensuring the quality of legislative drafting, and the responsible unit fulfils established responsibilities.</li> <li>1 point = a quality-control body has been established for ensuring the coherence and quality of legislative drafting, but the responsible unit is not fully carrying out these responsibilities.</li> <li>0 points = no institution ensures the coherence and quality of legislative drafting.</li> </ul>					
<b>Sub-indicator 3</b>	<b>Laws amended one year after adoption (%)</b>					
Methodology	This sub-indicator measures legal certainty and the quality of legislative drafting. The ratio (expressed as a percentage) is calculated by dividing the number of new laws adopted by the parliament during the calendar year two years prior to the assessment that were amended during the assessment year (and approved by the government) by the total number of new laws adopted by the parliament two years prior to the assessment year. Amendments to existing laws and the annual budget law are excluded from this calculation.					
Point allocation	<ul style="list-style-type: none"> <li>3 points = below 2%</li> <li>2 points = 2%-4.99%</li> </ul>					

<sup>19</sup> See also sub-indicator 2 under Principle 6, Transparency and legal compliance of government decision-making.

	<ul style="list-style-type: none"> <li>• 1 point = 5%-10%</li> <li>• 0 points = more than 10%</li> </ul>
<b>Sub-indicator 4</b>	<b>Perceived clarity and stability of government policy making by businesses (%)</b>
Methodology	<p>Analysis of responses by a representative sample of businesses to a Balkan Barometer survey, or similar. The respondents are asked if they agree with the following statement: “Laws and regulations affecting my company are clearly written, not contradictory and do not change too frequently.”</p> <p>Assessors measure the percentage of respondents who answer “strongly agree” or “tend to agree”.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = more than 70%</li> <li>• 1 point = 50%-70%</li> <li>• 0 points = below 50%</li> </ul>

#### Definitions of key terms and official data classifications used (if applicable)

No sub-indicators use key terms or official data classifications that need definition.

#### Comparability

#### **Sub-indicator 4: Perceived clarity and stability of government policy making by businesses (%)**

The World Justice Project undertakes a general population poll that asks citizens to assess the quality, quantity, accessibility, reliability and format of the information provided by the government in print or online<sup>20</sup>.

The World Economic Forum's Global Competitiveness Report<sup>21</sup> provides data on how easy is it for businesses to obtain information about changes in government policies and regulations affecting their activities. This indicator is based on a survey among businesses in all countries included in the Global Competitiveness Index.

#### Known limits and bias of data

#### **Sub-indicator 4: Perceived clarity and stability of government policy making by businesses (%)**

Perceptions are slow to change over time, so the effects of recent government initiatives to improve predictability and consistency of interpretation may not be immediately apparent. In addition, perception is influenced by factors outside the scope of the aspects analysed here (e.g. overall trust in government).

#### Data validation and quality assurance by SIGMA

Documentation provided by the national authorities is validated by experts through interviews and cross-checking with other credible sources of data. The government also subsequently checks the factual accuracy of SIGMA's assessment. Survey data received from the Balkan Barometer survey, or similar, is checked by SIGMA in terms of compliance with the predefined methodology of the survey. SIGMA also triangulates this data by searching for other sources of information on each topic (e.g. studies prepared by other public bodies and institutions independent of the government).

<sup>20</sup> <http://worldjusticeproject.org/sites/default/files/gpp.pdf>.

<sup>21</sup> <http://reports.weforum.org/global-competitiveness-report-2015-2016/downloads/>.

### **Indicator 2.12.2: Accessibility of legislation**

This indicator measures both the regulatory framework for making legislation publicly available and the accessibility of legislation in practice, based on the review of the availability of legislation through the central registry and as perceived by businesses.

<b>Sub-indicators</b>	<b>Maximum points</b>					
1. Adequacy of the regulatory framework for public accessibility of legislation	6					
2. Accessibility of primary and secondary legislation in practice	8					
3. Perceived availability of laws and regulations affecting businesses (%)	2					
Total points	0-2	3-5	6-8	9-11	12-14	15-16
<b>Final indicator value</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

### **Full description of each sub-indicator**

<b>Sub-indicator 1</b>	<b>Adequacy of the regulatory framework for public accessibility of legislation</b>
Methodology	Expert review of regulations.
Point allocation	<p>For each of the following six criteria fulfilled by the regulatory framework, 1 point is awarded (total of 6 points):</p> <ul style="list-style-type: none"> <li>• The procedures for making legislation accessible to the public are stipulated;</li> <li>• The competent body (unit) for publishing legislation is established;</li> <li>• The deadline for publishing legislation after it has been submitted to the competent body is set;</li> <li>• The types of legislation to be published are stipulated;</li> <li>• The responsibilities of the bodies that are required to submit adopted legislation for publication are prescribed;</li> <li>• The obligation to publish consolidated versions of legal texts is established.</li> </ul>
<b>Sub-indicator 2</b>	<b>Accessibility of primary and secondary legislation in practice</b>
Methodology	Expert review of the official gazette or equivalent. Criteria 3-6, below, are satisfied only if legislation is available free of charge online.
Point allocation	<p>For each of the following six criteria, 1 point is awarded, with 1 point for each of the criteria 1-4 and 2 points for each of the criteria 5 and 6 (total of 8 points):</p> <ul style="list-style-type: none"> <li>• All primary legislation is available to the public through a central registry;</li> <li>• All secondary legislation is available to the public through a central registry;</li> <li>• All primary legislation is available to the public online;</li> <li>• All secondary legislation is available to the public online;</li> <li>• All primary legislation is available in consolidated format;</li> <li>• All secondary legislation is available in consolidated format.</li> </ul>

<b>Sub-indicator 3</b>	<b>Perceived availability of laws and regulations affecting businesses (%)</b>
Methodology	<p>Analysis of responses by a representative sample of businesses to a Balkan Barometer survey, or similar. The respondents are asked if they agree with the following statement: “Information on laws and regulations affecting my firm is easy to obtain.”</p> <p>Assessors measure the percentage of respondents who answer “strongly agree” or “tend to agree”.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = more than 70%</li> <li>• 1 point = 50%-70%</li> <li>• 0 points = below 50%</li> </ul>

#### Definitions of key terms and official data classifications used (if applicable)

**Legislation (primary and secondary):** all acts of national public authorities and international treaties that introduce binding legal norms of a general nature. Primary legislation refers mainly to acts of parliament, while secondary legislation includes acts of government and individual ministries adopted in order to ensure execution of primary laws.

**Consolidated format (of legislation):** version of the legal act that includes all amendments integrated into the text of the act. Dates of amendments are provided in the heading/preamble of the act.

**Central registry of laws:** regularly updated electronic database containing complete texts of all legislation.

#### Comparability

##### **Sub-indicator 2: Accessibility of primary and secondary legislation in practice**

The Global Open Data Index<sup>22</sup> reviews countries’ performance in disclosing specific datasets, including legislation. The following criteria are taken into account as a minimum set of information disclosed: 1) content of the law/status; 2) all relevant amendments to the law, if applicable; 3) date of last amendments; and 4) updating of data on at least a quarterly basis.

The World Justice Project Open Government Index measures whether basic laws and information on legal rights are publicly available, presented in plain language and accessible in all languages used by significant segments of the population<sup>23</sup>.

#### Known limits and bias of data

##### **Sub-indicator 2: Accessibility of primary and secondary legislation in practice**

The assessment does not take into account detailed analysis of how the legislation is presented in the online central registry (e.g. whether it is available in open data format, if search functionality is available and if documents can be downloaded).

<sup>22</sup> Open Knowledge International, *Global Open Data Index*, <http://index.okfn.org/dataset/>.

<sup>23</sup> <http://worldjusticeproject.org/open-government-index/dimensions>.

#### Data validation and quality assurance by SIGMA

The accuracy of the review of legal framework (sub-indicator 1) is ensured by sending the draft report to the national authorities for fact-checking. Corrections are made in the assessment if the national authorities find inaccuracies and send evidence supporting the need for an update. Assessment of the accessibility of laws (sub-indicator 2) is verified by additional review of a sample of laws (a minimum of five acts of primary legislation and five of secondary legislation) to check whether the available version is consolidated (i.e. includes all amendments). Survey data received from the Balkan Barometer survey, or similar, (sub-indicator 3) is checked by SIGMA in terms of compliance with the predefined methodology of the survey. SIGMA also triangulates this data by searching for other sources of information on each topic (e.g. studies prepared by other public bodies and institutions independent of the government).

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# 3

## Public Service and Human Resource Management

## PUBLIC SERVICE AND HUMAN RESOURCE MANAGEMENT

### Policy, legal and institutional frameworks for public service

#### Principle 1: The scope of public service is adequate, clearly defined and applied in practice.

Indicator 3.1.1: Adequacy of the scope of public service	
Sub-indicators	Maximum points
1. Clarity in the legislative framework of the scope of the civil service	2
2. Adequacy of the horizontal scope of the public service	6
3. Comprehensiveness of the material scope of civil service legislation	2
4. Exclusion of politically appointed positions from the scope of the civil service	2
5. Clarity of the lower division line of the civil service	1
Total points	0-3      4-5      6-7      8-9      10-11      12-13
Final indicator value	0      1      2      3      4      5

Full description of each sub-indicator	
Sub-indicator 1	Clarity in the legislative framework of the scope of the civil service
Methodology	Expert review of civil service legislation. The legal basis can be the constitution, a law on civil service, a law on public service, laws on special types of civil service or laws on independent bodies or other public bodies included in the scope of the civil service. The legislation must establish the horizontal scope (i.e. the institutions that apply the legislation) and the vertical scope (i.e. the hierarchy of positions to which the law is applied). The assessment relates to the clarity of provisions and the level of fragmentation and coherency of the public service.

<sup>24</sup>

In OECD (2017), *The Principles of Public Administration*, OECD Publishing, Paris, p. 40, SIGMA clarifies that it applies the narrow scope of public service, covering: 1) ministries and administrative bodies reporting directly to the government, prime minister or ministers (i.e. the civil service, strictly speaking); administrations of the parliament, the president and the prime minister; 2) other administrative bodies at the level of the central administration, if they are responsible for safeguarding the general interests of the state or other public bodies; and 3) independent constitutional bodies reporting directly to the parliament. The scope of public service thus does not cover institutions at the level of the sub-national administration and special types of public service, elected and politically appointed officials, or support and ancillary personnel in the administrative bodies.

<p><b>Point allocation</b></p> <ul style="list-style-type: none"> <li>• 2 points = a clear legal basis exists for the scope of the civil service.</li> <li>• 1 point = some areas are open to interpretation or unclear.</li> <li>• 0 points = the legal basis for the core civil service is fragmented, incoherent or unclear.</li> </ul>
<p><b>Sub-indicator 2 Adequacy of horizontal scope of the public service</b></p>
<p><b>Methodology</b></p> <p>This sub-indicator focuses on the scope of public service as defined in <i>The Principles of Public Administration</i><sup>25</sup>. In some countries, the scope of the civil service is very broad (covering teachers, nurses, doctors, etc.), while in other countries it is limited to core government policy-making functions. As a result, the scope of the civil service law (CSL) varies significantly from country to country. Analysis focuses on selected groups of institutions that should form the core public service.</p> <p>The following eight groups of institutions are assessed:</p> <ul style="list-style-type: none"> <li>• ministries</li> <li>• customs administration</li> <li>• tax administration</li> <li>• foreign service</li> <li>• other bodies reporting directly to the government, prime minister (PM) or ministers (check of the legislation related to three institutions)</li> <li>• administration of the parliament, the president and the prime minister</li> <li>• three selected regulatory authorities</li> <li>• the supreme audit institution (SAI) and ombudsman institution</li> </ul> <p>Assessors review the legislation to determine whether the CSL applies to all the selected groups of institutions of the public service. In cases where groups of public service institutions are not covered by the CSL, selected legislation applying to those institutions is analysed. That is why the wider term “public service” is used in this sub-indicator.</p> <p>Where special legislation exists, regulations related to human resources (HR) are analysed to determine if the legislation ensures merit and professionalism in these institutions. The analysis focuses on recruitment, promotion and dismissals.</p> <p>The analysis is supplemented by quantitative data on the number of employees and public/civil servants working in the selected groups of public service institutions (whose employment is usually regulated by the public law). Quantitative data does not directly influence the value of the indicator, but it can highlight situations where a disproportionately high number of employees are excluded from public/civil service.</p> <p>In principle, all positions involved in the exercise of public authority and safeguarding the interest of the state should be held by public/civil servants. For example, if the majority of employees of the tax service (i.e. all those employed, under public law or the labour code) were not subject to public/service law provisions (or special legislation ensuring merit-based, professional public service), 0 points are allocated, even if a minority of employees are covered by public service legislation that ensures the above-mentioned principles.</p>

<sup>25</sup>

OECD (2017), *The Principles of Public Administration*, OECD Publishing, Paris,  
[http://www.sigmapublications.org/publications/Principles-of-Public-Administration\\_Edition-2017\\_ENG.pdf](http://www.sigmapublications.org/publications/Principles-of-Public-Administration_Edition-2017_ENG.pdf)

<b>Point allocation</b>	<p>If, in HR, at least 7 of the 8 groups are regulated in one public law/CSL (even if some special regulations apply), 1 additional point will be awarded, as this ensures coherency and facilitates management of the system (for a total of 6 points for this sub-indicator).</p> <ul style="list-style-type: none"> <li>• 5 points = merit and professionalism are ensured in all 8 groups of institutions.</li> <li>• 4 points = merit and professionalism are ensured in 7 of the 8 groups.</li> <li>• 3 points = merit and professionalism are ensured in 6 of the 8 groups.</li> <li>• 2 points = merit and professionalism are ensured in 5 of the 8 groups.</li> <li>• 1 point = merit and professionalism are ensured in 4 of the 8 groups.</li> <li>• 0 points = merit is ensured in fewer than 4 of the groups.</li> </ul>
<b>Sub-indicator 3</b>	<b>Comprehensiveness of material scope of civil service legislation</b>
<b>Methodology</b>	<p>Expert review of primary and secondary civil service legislation. Some areas, such as salaries or integrity system, may be regulated in detail in separate pieces of legislation, but the CSL should at least make reference to the specific legislation and/or should indicate some basic provisions related to them. The primary legislation must regulate at least the following 12 elements:</p> <ul style="list-style-type: none"> <li>• vertical and horizontal scope</li> <li>• rights and duties/obligations of civil servants</li> <li>• institutions responsible for the management of the civil service</li> <li>• main criteria for job classification</li> <li>• eligibility criteria to enter in the civil service</li> <li>• merit-based recruitment</li> <li>• professional development</li> <li>• merit-based career advancement and promotion</li> <li>• integrity measures for civil servants</li> <li>• salaries</li> <li>• disciplinary regime</li> <li>• termination of employment</li> </ul>
<b>Point allocation</b>	<ul style="list-style-type: none"> <li>• 2 points = all 12 elements are regulated (or salaries or integrity are regulated in special legislation, and there is a clear reference to special provisions).</li> <li>• 0 points = fewer than 12 elements are regulated.</li> </ul>
<b>Sub-indicator 4</b>	<b>Exclusion of politically appointed positions from scope of the civil service</b>
<b>Methodology</b>	<p>Expert review of civil service legislation. The assessment reviews the clarity of provisions to verify that positions in the civil service that are politically appointed/dismissed, do not enjoy the protection, tenure and other benefits of civil servants. This relates mainly to political advisers. Certain technical regulations of the civil service legislation may apply to them.</p>
<b>Point allocation</b>	<ul style="list-style-type: none"> <li>• 2 points = legislation clearly excludes politically appointed positions from the scope of the civil service.</li> <li>• 0 points = legislation does not clearly exclude politically appointed positions from the scope of the civil service.</li> </ul>

Sub-indicator 5	<b>Clarity of lower division line of the civil service</b>
Methodology	Expert review of civil service legislation, other documents (guidelines) and activities of the central civil service co-ordination unit. Because practices differ from country to country on which ancillary/support positions are excluded from the civil service, the assessment reviews the clarity of provisions marking the lower division line of the civil service (demarcating which jobs are classified as and restricted to civil servants). Strictly technical, manual work positions (such as cleaners and drivers) should always be excluded from the civil service. They may be regulated by public law or labour code, but it would not be cost-efficient for them to enjoy the same level of protection as core civil servants.
Point allocation	<ul style="list-style-type: none"> <li>• 1 point = the lower division line of the civil service is clearly defined.</li> <li>• 0 points = the lower division line of the civil service is not clearly defined, or there is no division line.</li> </ul>

#### Definitions of key terms and official data classifications used (if applicable)

**Civil service/public service:** administrative personnel of the public authorities employed under a distinctive legal regime<sup>26</sup>, usually a CSL. Public service can have a wider meaning, encompassing civil servants and other public employees working for the government administration and exercising public powers and protecting the public interest. For the purpose of this assessment, the public service includes at least the bodies listed under Principle 1, sub-indicator 2: ministries; customs administration; tax administration; foreign service; other bodies reporting directly to the government, prime minister or ministers; administration of the parliament, the president and the prime minister; regulatory authorities; and the SAI and ombudsman institution, whereas the civil service relates to the civil servants working for the government administration, as defined by the civil service legislation.

**Regulatory authority:** body authorised by statute to use legal tools to achieve policy objectives, imposing obligations or burdens through functions such as licencing, permitting, accrediting, approvals, inspection and enforcement. Regulators take a variety of institutional forms. A regulator may be a unit within a ministry, or a separate entity with its own statutory foundation, governing body, staff and executive management. In some cases, a regulatory unit or function will be located within a large, independent service-delivery agency; for example, the regulatory responsibilities of a fire service. In some instances, a regulator may be independent of national executives and other national institutions and subject to international standard-setting entities or supranational bodies, such as independent regulators in the European Union (EU)<sup>27</sup>.

**Politically appointed positions:** positions in any public institution occupied by public officials who are elected or by public officials who are politically appointed without formal recruitment and selection process and who do not need to fulfil any specific criteria. These include the president, the prime minister, ministers and politically appointed members of their cabinets; members of parliament; politically appointed advisers; mayors and other elected members of local government councils; politically appointed chairmen/chairwomen and members of the government boards of different public bodies. In civil service systems, the positions of secretary-general and director-general (or equivalent) are usually occupied by civil servants.

<sup>26</sup> Demmke, C. and T. Moilanen (2010), *Civil Services in the EU of 27: Reform Outcomes and the Future of the Civil Service*, Peter Lang, Frankfurt.

<sup>27</sup> <http://www.oecd.org/gov/regulatory-policy/the-governance-of-regulators-9789264209015-en.htm>, pp. 17-18.

## Comparability

The lack of uniformity in the scope of the civil service in different countries reduces the potential for comparability.

## Known limits and bias of data

### **Sub-indicator 5: Clarity of lower division line of the civil service**

This sub-indicator requires that strictly technical positions be excluded from the civil service and regulated by general labour legislation or other laws. This approach may be perceived as arbitrary, as there is no widely accepted catalogue of positions in public bodies that should or should not be regulated in civil service legislation.

## Data validation and quality assurance by SIGMA

This indicator is based on the review of the legal framework. Its quality is ensured by sending the assessment to government authorities for fact-checking. If the country can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with non-governmental organisations (NGOs), academics and other stakeholders, and also analyses relevant jurisprudence and academic literature.

## **Principle 2: The policy and legal frameworks for a professional and coherent public service are established and applied in practice; the institutional set-up enables consistent and effective human resource management practices across the public service.**

### **Indicator 3.2.1: Adequacy of the policy, legal framework and institutional set-up for professional human resource management in public service**

This indicator measures the extent to which the policy, legal framework and institutional capacities are in place and enable consistent human resource management (HRM) practices across the public service, and assesses whether policies and laws are implemented to ensure proper management of the civil service, for example a functioning civil service database, availability and use of data, etc.

<b>Sub-indicators</b>	<b>Maximum points</b>
1. Establishment of political responsibility for the civil service	2
2. Quality of public service policy documents	4
3. Implementation and monitoring of public service policy	4
4. Right balance between primary and secondary legislation	2
5. Existence of a central, capable co-ordination body	4
6. Professionalism of HRM units in civil service bodies	2
7. Existence of a functional HR database with data on the civil service	4
8. Availability and use of data on the civil service	5
Total points	0-3      4-8      9-13      14-18      19-23      24-27
<b>Final indicator value</b>	<b>0      1      2      3      4      5</b>

Full description of each sub-indicator	
<b>Sub-indicator 1</b>	<b>Establishment of political responsibility for the civil service</b>
<b>Methodology</b>	Expert review of legislation and interviews with the head of the central co-ordination body. Membership and/or participation of the authority politically responsible for the civil service in the council of ministers (CoM) is considered a proxy for exercising political responsibility for the civil service in practice.
<b>Point allocation</b>	<ul style="list-style-type: none"> <li>• 2 points = the authority responsible for the civil service is a member of the CoM.</li> <li>• 1 point = the authority responsible for the civil service regularly participates in meetings of the CoM but is not formally a member of CoM.</li> <li>• 0 points = the authority responsible for the civil service is not a member of the CoM and does not regularly participate in its meetings, or the political responsibility for the civil service is not clearly assigned.</li> </ul>
<b>Sub-indicator 2</b>	<b>Quality of public service policy documents</b>
<b>Methodology</b>	<p>Expert review of public/civil service policy documents (planning documents for the development of public/civil service). The policy should have clear objectives, and specify activities, time frames and budget. The document should also be approved by the prime minister or the CoM.</p> <p>This document could be the civil service/public service strategy, or several strategies for different areas of public service. It may also be part of a public administration reform (PAR) strategy, if it deals with the issue of public service as a clearly identifiable section.</p>
<b>Point allocation</b>	<p>Points are awarded for each of the following seven criteria for public/civil service policy (total of 4 points):</p> <ul style="list-style-type: none"> <li>• The scope of public/civil service policy includes the whole civil/public service (at least covering the government administration) (1 point);</li> <li>• The public/civil service policy has clear objectives (0.5 points);</li> <li>• The public/civil service policy has quantifiable targets (0.5 points);</li> <li>• The public/civil service policy has specified activities (0.5 points);</li> <li>• The public/civil service policy has clear time frames/deadlines (0.5 points);</li> <li>• At least half of the activities in the public/civil service policy are costed (0.5 points);</li> <li>• The assessment of the situation in the public/civil service policy is based on quantitative data (0.5 points).</li> </ul>
<b>Sub-indicator 3</b>	<b>Implementation and monitoring of public service policy</b>
<b>Methodology</b>	Expert review of policy monitoring reports.
<b>Point allocation</b>	<p>Points are awarded for each of the following three criteria (total of 4 points):</p> <ul style="list-style-type: none"> <li>• Monitoring reports are produced regularly, at least annually (1 point);</li> <li>• At least 60% of the activities/measures planned for the assessment year were fully implemented within the deadlines (2 points);</li> </ul>

	<ul style="list-style-type: none"> <li>At least 60% of quantitative targets were achieved within planned deadlines (1 point).</li> </ul>
<b>Sub-indicator 4</b>	<b>Right balance between primary and secondary legislation</b>
Methodology	<p>Expert review of primary and secondary civil service legislation. The comparison between primary and secondary legislation focuses on the areas analysed further under the rest of the indicators in this area (3.3.1 to 3.7.2).</p> <p>A sound balance is a situation when the primary legislation establishes the basic structures and principles, while secondary legislation contains detailed procedural and administrative provisions.</p>
Point allocation	<ul style="list-style-type: none"> <li>2 points = there is a sound balance between the primary and secondary legislation in all analysed areas.</li> <li>0 points= there is an imbalance between the primary and secondary legislation in one or more areas.</li> </ul>
<b>Sub-indicator 5</b>	<b>Existence of a central, capable co-ordination body</b>
Methodology	<p>Expert review of legislation and reports and other documents produced by the civil service central co-ordination administrative body. Analysis of the web page of the central co-ordination body. Interviews with the staff of the civil service central co-ordination body, and heads of HRM units. If there are separate bodies responsible for policy making and policy implementation, only the body responsible for policy implementation is analysed. If there are more bodies sharing responsibilities for policy implementation, their accountability, co-operation and distribution of powers are also assessed.</p>
Point allocation	<p>For each of the following seven criteria, points are awarded (total of 4 points):</p> <ul style="list-style-type: none"> <li>General guidance that is up to date and complies with the legislation in place has been issued for HR units on performance appraisal, recruitment and selection, and job descriptions (0.5 points);</li> <li>The central co-ordination body organises or has influence on the content of central/centralised training (e.g. on the code of conduct for civil servants) (0.5 points);</li> <li>A meeting with HR units from central government institutions covered by civil service legislation is organised at least once a year to discuss relevant HR issues and is obligatory when significant changes are made in civil service legislation (1 point);</li> <li>The up-to-date primary and secondary legislation on civil service as well as all guidelines issued are available on the website of the central co-ordination body or the government (0.5 point);</li> <li>The central co-ordination body is legally empowered to request and obtain any information and any documents related to the execution of its duties from all public institutions covered by civil service legislation (0.5 points);</li> <li>Inspections or similar controls verifying the implementation of values, policy and legal framework of the public service are conducted by the central co-ordination body or, if they are conducted by another institution, the central co-ordination body is provided with the final inspection reports <i>ex officio</i> (0.5 points);</li> <li>The annual report of the central co-ordination body is presented to the</li> </ul>

	minister, prime minister, CoM or the parliament (0.5 points).
<b>Sub-indicator 6</b>	<b>Professionalism of HRM units in civil service bodies</b>
Methodology	<p>Interviews with heads of five HRM units, analysis of documents received from five HRM units.</p> <p>Professional HRM can be ensured either by establishing an HRM unit/function in all bodies or by outsourcing or pooling HR services (e.g. the HRM unit of one institution provides services to another, smaller institution).</p> <p>The situation is analysed for five central government bodies, which include two ministries (the same in all assessed countries) and the three other government bodies with the highest number of civil servants reporting to the government, CoM or the prime minister.</p> <p>The assessment determines if the institutions meet the following four criteria:</p> <ul style="list-style-type: none"> <li>• In the assessment year, at least one person from the HR unit benefited from training on modern HR tools (appraisal, evaluation, organisation of trainings, etc.). Technical training on how to register personnel files does not count;</li> <li>• The HR unit participates in HR network professional activities (community of experts meetings, newsletters, online discussion forums, etc.);</li> <li>• The HR unit provides managers with regular reports that have quantitative data, qualitative data and forecasts;</li> <li>• The organisation has an HR strategy or action plan for at least one year.</li> </ul>
Point allocation	<p>Points are awarded for the number of occurrences where the sample institutions meet each of the criteria. The maximum possible number of occurrences is 20:</p> <ul style="list-style-type: none"> <li>• 2 points = 14-20 occurrences</li> <li>• 1 point = 7-13 occurrences</li> <li>• 0 points = 6 or fewer occurrences</li> </ul>
<b>Sub-indicator 7</b>	<b>Existence of a functional HR database with data on civil service</b>
Methodology	<p>Expert review of regulations and reports produced by the civil service central co-ordination unit. On-site review of the central HR database/registry, with sample printouts as appropriate. Interviews with the staff of the civil service central co-ordination unit and with heads of HRM units. Availability of data is also verified through quality and timeliness of responses to SIGMA requests. Immediate availability will be checked for at least the following reports: division of public servants by categories and administrative bodies; annual turnover for the different staff categories/administrative bodies; and average total yearly salary for different staff categories.</p> <p>For the data on public servants to be considered as comprehensive at least the following information must be included: name, date of birth, gender, current position, public service positions held, education, salary, bonuses and benefits, performance appraisal results, disciplinary sanctions and termination of employment.</p> <p>In case there is no centralised database, the databases of at least three out of five bodies mentioned in sub-indicator 6 are analysed.</p>

<p><b>Point allocation</b></p>	<p>Points are awarded for each of the five following criteria for database(s) and data available to the central co-ordination unit (total of 4 points):</p> <ul style="list-style-type: none"> <li>• Database(s) are interoperable with other relevant systems (at least with the payroll system) (1 point);</li> <li>• Data is updated in real time (0.5 points);</li> <li>• Database(s) and data include all employed civil servants and institutions required by the relevant regulations (1 point);</li> <li>• Database(s) and data allow quick reporting on all relevant HR areas, as noted above (0.5 points);</li> <li>• Data on public servants is comprehensive (1 point).</li> </ul> <p>When there is no central database, maximum points can still be awarded if datasets are standardised and the decentralised architecture provides the functionality described above in all the bodies analysed (except criterion 1).</p>
<p><b>Sub-indicator 8</b></p>	<p><b>Availability and use of data on the civil service</b></p>
<p><b>Methodology</b></p>	<p>Expert analysis of the report on the civil service covering the assessment year.</p> <p>The annual report on the civil service must include at least the following information to be considered to contain relevant and updated data: information on the total number of civil servants, the total turnover in the civil service (broken down by categories), gender balance in the civil service, the number of candidates per position, training statistics, and data on appeals, appraisals, dismissals and salaries.</p>
<p><b>Point allocation</b></p>	<p>Points are awarded for each of the following criteria (total of 5 points):</p> <ul style="list-style-type: none"> <li>• The annual report on the civil service is easily accessible online (1 point);</li> <li>• The annual report on the civil service is based on relevant and updated data (2 points);</li> <li>• The annual report on the civil service includes conclusions and/or recommendations (1 point);</li> <li>• The annual report on the civil service is made accessible before the end of June of the year following the reporting year (1 point).</li> </ul>

Definitions of key terms and official data classifications used (if applicable)

**Central co-ordination body:** institution charged with the management (in centralised systems) or co-ordination (in decentralised systems) of the national civil service and, sometimes, with the whole of public employment.

## Known limits and bias of data

### **Sub-indicator 6: Professionalism of HRM units in civil service bodies**

This indicator primarily focuses on activities rather than results. It assesses the activities undertaken to ensure professional management of HR within the government, but the effects and actual impact of those activities are not assessed. Outcomes of recruitment and professional development practices are assessed under Principles 3, 4 and 6.

### **Sub-indicator 7: Existence of a functional HR database with data on the civil service**

This indicator does not provide a comprehensive assessment of the reliability and accuracy of data included in the HR database (i.e. SIGMA does not check whether the system contains correct data for all civil servants).

## Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment is ensured by sending the assessment to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and also analyses relevant jurisprudence and academic literature.

In addition to this, SIGMA validates sub-indicators 7 and 8 (reviewing information technology [IT] systems and websites of public institutions) in co-operation with experts who assist in preparing and filling in checklists for the review of these IT systems and websites.

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## Human resource management

**Principle 3: The recruitment of public servants is based on merit and equal treatment in all its phases; the criteria for demotion and termination of public servants are explicit.**

Indicator 3.3.1: Meritocracy and effectiveness of recruitment of civil servants
This indicator measures the extent to which the legal framework and the organisation of civil service recruitment support merit-based and effective selection of candidates wishing to join the civil service and whether this ensures the desired results in terms of competitive, fair and non-discretionary appointments that enhance the attractiveness for job-seekers and performance of the public sector.
This indicator measures only external recruitment. The indicator on merit-based recruitment and dismissal of senior civil servants covers recruitment and promotion to senior managerial positions, and the indicator on professional development covers promotions to other positions.

Sub-indicators	Maximum points
<b>Legal framework and organisation of recruitment</b>	
1. Adequacy of the legislative framework for merit-based recruitment for civil service positions	18
2. Application in practice of recruitment procedures for civil service positions	18
<b>Performance of recruitment practices</b>	
3. Time required to hire a civil servant	2
4. Average number of eligible candidates per vacancy	4
5. Effectiveness of recruitment for civil service positions (%)	4
6. Retention rate of newly hired civil servants (%)	4
Total points	0-7      8-16      17-25      26-35      36-43      44-50
<b>Final indicator value</b>	<b>0      1      2      3      4      5</b>

Full description of each sub-indicator	
<b>Legal framework and organisation of recruitments.</b>	
<b>Sub-indicator 1</b>	<b>Adequacy of the legislative framework for merit-based recruitment for civil service positions</b>
Methodology	<p>Expert review of legislation. For this indicator, only the legislation is analysed, not its implementation. If there are separate provisions regulating the senior civil service, they are not assessed under this sub-indicator.</p> <p>Selection committee members are considered to be safeguarded from political interference if, as a minimum, political appointees may not be members of selection committees and members of the selection committee may not be chosen by political appointees.</p> <p>The best-ranked candidate should be appointed to the position. The only exception allowed is when groups that are discriminated against are privileged, in line with EU Directive 2000/78/EC) or if the second-ranked candidate is</p>

	appointed after the first-ranked resigns. Political appointees should not be free to change decisions of the selection committee.
Point allocation	<p>Points are awarded for each of the following 15 criteria (total of 18 points):</p> <ul style="list-style-type: none"> <li>• The civil service legislation includes the principle of merit to access for all civil service positions (1 point);</li> <li>• Clear and non-discriminatory eligibility criteria for accessing civil service positions are established<sup>28</sup> (1 point);</li> <li>• Positive discrimination for people from disadvantaged groups (e.g. the disabled) is promoted<sup>29</sup> (1 point);</li> <li>• Staffing plans, based on staffing needs, are required for individual institutions and co-ordinated centrally or there is one central staffing plan (1 point);</li> <li>• The legislation establishes the professional categories of the civil service and the classes/subcategories applicable to each category; the responsibility for developing and approving job descriptions and for evaluating and classifying job positions; and the criteria and methods for job descriptions, evaluation and classification (1 point);</li> <li>• Competitions established by law are the sole avenue of admission into the civil service (2 points)<sup>30</sup>;</li> <li>• The deadline for submitting applications is defined as at least ten working days after the announcement (1 point);</li> <li>• The legislation guarantees professional composition of selection committees (composition is clearly established in the legislation and ensures sufficient expertise and experience of committee members) (1 point);</li> <li>• Selection committee members are safeguarded from political interference (2 points);</li> <li>• Both the written and verbal elements (structured interviews) used to assess candidates who participate in civil service recruitment procedures are established by legislation (1 point);</li> <li>• The secondary legislation is detailed enough to guarantee a uniform approach to selection across the civil service (1 point);</li> <li>• Anonymity of written examinations is guaranteed (1 point);</li> <li>• The best-ranked candidate (after the selection phase) is appointed to the position. In pool recruitments, there are measures in place that ensure that the best-ranked candidates are appointed (2 points);</li> <li>• The right of candidates to appeal recruitment decisions is included in the legislation (1 point);</li> <li>• There are at least two appeal instances: an administrative instance, and the courts (1 point).</li> </ul>
<b>Sub-indicator 2</b>	<b>Application in practice of recruitment procedures for civil service positions</b>
Methodology	Interviews are conducted with the central co-ordination unit, and the following

<sup>28</sup> Criteria could include 1) citizenship; 2) full legal capacity to act; 3) proficiency in the country's languages; 4) a clean criminal record; 5) no prior dismissal from the civil service as a result of a disciplinary sanction; 6) specification of minimum age; and 7) fulfilment of requirements for the vacant position. In some cases, positive discrimination may be allowed, for example regarding disabled people and ethnic/community representation, if it is in line with the EU Directive 2000/78/EC on Equal Treatment at Work.

<sup>29</sup> If it is in line with the Directive 2000/78/EC on Equal Treatment at Work.

<sup>30</sup> It is possible to allow graduates of government schools to access the civil service without competition, if recruitment to the school is competitive and merit based.

	<p>data is analysed:</p> <ul style="list-style-type: none"><li>• The ten most recent examples of recruitment files (including all documents related to the recruitment process, from announcement to appointment) in the latest full calendar year (two files from five selected institutions);</li><li>• A central annual staffing plan for the latest full calendar year or, if not available, five staffing plans provided by five selected public institutions;</li><li>• Supporting materials for selection committee members.</li></ul> <p>The situation is analysed for five central government bodies, which include two ministries (the same in all assessed countries) and the three other central government bodies with the highest number of civil servants reporting to the government, CoM or the prime minister.</p> <p>Quantitative data:</p> <ul style="list-style-type: none"><li>• The number of civil service positions filled without competition in the latest full calendar year. Data relates to central government administration only. No points are allocated based on this calculation, but a high value would indicate that the principle of competitive access to civil service is not ensured;</li><li>• Assessors also examine statistical data (the number of appeals and results of appeals). If there are separate provisions regulating the senior civil service, they are not assessed under this sub-indicator.</li></ul> <p>Acceptable evidence that uniform and professional recruitment practices were proactively supported is defined as official documentation that e.g. training courses, workshops and/or networking events were organised for the members of selection committees and recruiters in civil service organisations, and supporting materials were made available.</p> <p>The only exceptions allowed to the for appointment of the first-ranked candidates are if the second-ranked candidate was appointed because the first-ranked candidates resigned or when discriminated groups are privileged in line with EU Directive 2000/78/EC).</p>
Point allocation	<p>Points are awarded for each of the following 12 criteria (total of 18 points):</p> <ul style="list-style-type: none"><li>• An annual staffing plan exists for the civil service (or it exists in all analysed institutions), and there is evidence that it is centrally co-ordinated (2 points);</li><li>• Job announcements contain requirements based on legislation and job descriptions (the general requirements are in line with requirements set by the legislation and the specific requirements are in line with the job description) (2 points, if the requirements are well aligned in all the files analysed);</li><li>• Additional requirements contained in job descriptions are aligned with tasks performed in the position in question (2 points, if the additional requirements are aligned with tasks performed in all files analysed);</li><li>• The deadline to submit applications is defined as at least ten working days from the date an opening is announced (1 point, if this is the case in all files analysed);</li><li>• All civil service announcements are accessible on a single web portal (1 point);</li><li>• The single web portal that announces all civil service vacancies is user-friendly: it allows users to filter vacancies or subscribe to new announcements (1 point);</li><li>• No members of selection committees are political appointees, and political appointees do not choose the members of selection committees (1 point if</li></ul>

	<p>this is the case in all files analysed);</p> <ul style="list-style-type: none"> <li>• There is evidence that uniform and professional recruitment practices were proactively supported (2 points);</li> <li>• Selection included both written and oral examinations (in the form of structured interviews) (2 points if this is the case in all cases analysed);</li> <li>• Written testing was anonymised (1 point if this was the case in at least half of the cases analysed);</li> <li>• First-ranked candidates were appointed (2 points if the first-ranked candidate was appointed in all cases analysed). In pool recruitments, it is ensured that the best-ranked candidates are appointed;</li> <li>• There is statistical data available for the assessment year (number of appeals and results of appeals) on appeals of recruitment decisions (1 point).</li> </ul>
<b>Performance of recruitment practices</b>	
<b>Sub-indicator 3</b>	<b>Time required to hire a civil servant</b>
Methodology	<p>This sub-indicator assesses the efficiency and timeliness of the recruiting process. It measures the average number of calendar days that elapse between the announcement of a vacancy and publication of the results of the selection process (the next step, appointment to the position, is not taken into consideration).</p> <p>Data for the latest full calendar year is obtained from five institutions, which include two ministries (the same in all assessed countries) and the three other central government bodies with the highest number of civil servants reporting to the government, CoM or the prime minister.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = the average time was less than 90 calendar days in at least 4 of the 5 institutions.</li> <li>• 1 point = the average time was less than 90 calendar days in at least 3 of the 5 institutions.</li> <li>• 0 points = the average time was less than 90 calendar days in 2 or fewer of the institutions.</li> </ul>
<b>Sub-indicator 4</b>	<b>Average number of eligible candidates per vacancy</b>
Methodology	<p>Total number of eligible candidates that participated in external recruitment procedures during the latest full calendar year, divided by the number of vacancies offered for external recruitment during the same period. Data relates to central government administration only. In pool recruitment systems, the value is calculated by dividing the number of eligible candidates by the number of open vacancies over the year. Fractions are rounded up to the nearest whole number.</p> <p>Only recruitments open to external candidates are analysed. "Eligible candidates" means candidates who meet the formal criteria for the position. Pending recruitments are excluded.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = 11 or more candidates on average</li> <li>• 3 points = 7-10 candidates on average</li> <li>• 2 points = 3-6 candidates on average</li> <li>• 0 points = 2 or fewer candidates on average</li> </ul>
<b>Sub-indicator 5</b>	<b>Effectiveness of recruitment for civil service positions (%)</b>

Methodology	Number of people appointed to civil service positions (as a result of recruitment open to external candidates) during the latest full calendar year, divided by the total number of vacancies announced for open competition in the civil service, expressed as a percentage. Only recruitment open to external candidates is analysed. Pending recruitments are excluded from this calculation. Data relates to central government administration only.
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = more than 95%</li> <li>• 3 points = 80%-95%</li> <li>• 2 points = 70%-79.99%</li> <li>• 1 point = 55%-69.99%</li> <li>• 0 points = below 55%</li> </ul>
<b>Sub-indicator 6</b>	<b>Retention rate of newly hired civil servants (%)</b>
Methodology	<p>Percentage of civil servants appointed in the year prior to the latest full calendar year (as a result of recruitment open to external candidates) who stayed in the civil service for one year after their appointment. Data relates to central government administration only.</p> <p>If no overall data is available, this will be calculated on the basis of data received from five institutions: two ministries (the same in all assessed countries) and the three central government bodies with the highest number of civil servants reporting to the government, CoM or the prime minister.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = more than 90%</li> <li>• 2 points = 80%-90%</li> <li>• 0 points = below 80%</li> </ul>

#### Definitions of key terms and official data classifications used (if applicable)

**Administrative appeal:** procedure of intra-administrative (non-judicial) review of a decision issued by the relevant administrative body, separate and independent of the administrative body of first instance.

**Central government body:** ministries and public bodies subordinated to ministries, the prime minister or CoM (central government) and operating at the national level. Subordination means that the government approves the draft budgets, plans and any performance reports of the bodies. Branches of central government bodies operating at sub-national level are also included, if they clearly constitute core government administration, such as regional tax offices.

**Job description:** written statement that clearly sets out the major responsibilities and requirements of the position. The usual elements of job descriptions include the mission and general purpose, the main duties and associated tasks, the level of responsibility, subordinate staff (if any), working conditions, special requirements (education, work experience and others).

**Job evaluation:** assessment of the relative worth of a position in a job hierarchy, based on a comparative process conducted using a consistent set of job factors, such as the level of responsibility, skill, effort and working conditions. It is important to note that a job evaluation ranks the job, not the job holder. Job evaluation assumes normal performance of the job by an employee, and does not consider the individual abilities of the job holder.

**Job classification:** the grouping of jobs into various grades, classes and/or categories or sub-categories, according to job descriptions and job evaluations.

**Recruitment:** the process of finding and hiring the best-qualified candidate (from within or outside an organisation) for a job opening. The recruitment process includes: 1) job design based on the analysis

of organisational needs and objectives; 2) dissemination of the job offer; 3) selection (screening documents, interviewing, verifying received information, shortlisting); and 4) induction. For the purpose of this indicator, only recruitments open to external candidates are analysed.

**Staffing plans:** annual plans that address short-term staffing needs. They should include at least the current numbers, composition and distribution of staff; organisational changes or other issues that have a direct impact on the staff during the coming year; and the staffing needs foreseen for the year, including identification of vacancies that should be filled.

## Comparability

### **Sub-indicator 4: Average number of eligible candidates per vacancy**

For some European countries, official data on the number of applicants, eligible candidates per vacancy at entry level and candidates appointed is available on websites of the relevant governments or research institutes (e.g. the Civil Service Fast Stream<sup>31</sup> and the Institute for Government<sup>32</sup> in the United Kingdom, the Ministère de la Décentralisation et de la Fonction Publique in France<sup>33</sup>; and the Portail du personnel fédéral in Belgium<sup>34</sup>.

## Known limits and bias of data

### **Sub-indicator 4: Average number of eligible candidates per vacancy**

A low percentage of eligible candidates may be the result of less competitive salaries in the public sector, despite fair and professionally managed recruitment and selection procedures. Therefore, the results should be analysed taking into account both management procedures and context.

Because the indicator provides an aggregate figure for all civil service institutions, it does not capture the high variability likely among public bodies, professional categories and professional groups. Finally, this number could be correlated with the size of the country.

### **Sub-indicator 6: Retention rate of newly hired civil servants (%)**

In some cases, a low value for this indicator may be due not to faulty recruitment procedures, but rather to extraordinary events, such as unforeseen organisational restructuring or changes in an organisation's objectives (e.g. due to an unexpected crisis in government).

## Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment is ensured by sending the assessment to authorities in the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and also analyses relevant jurisprudence and academic literature.

Quantitative data received from public bodies is cleaned, and outliers are identified by cross-checking with historical data. Outliers and discrepancies are identified and discussed with the public bodies that provided them. SIGMA also triangulates this data by searching for other sources of information on each topic (e.g. studies prepared by other public bodies and institutions independent of the government).

<sup>31</sup> <https://www.gov.uk/government/publications/civil-service-fast-stream-annual-report-2014>.

<sup>32</sup> <http://www.instituteforgovernment.org.uk/blog/13180/the-civil-service-fast-stream-in-six-charts/>.

<sup>33</sup> [http://www.fonction-publique.gouv.fr/files/files/statistiques/point\\_stat/recrutements-externes-FPE-FPT-en-2013.pdf](http://www.fonction-publique.gouv.fr/files/files/statistiques/point_stat/recrutements-externes-FPE-FPT-en-2013.pdf).

<sup>34</sup> [http://www.fedweb.belgium.be/fr/statistiques/managementselecties\\_federaal\\_selor](http://www.fedweb.belgium.be/fr/statistiques/managementselecties_federaal_selor).

**Indicator 3.3.2: Merit-based termination of employment and demotion of civil servants**

This indicator measures the extent to which the legal framework and the HRM practices support fair termination of employment in the civil service and fair demotion of civil servants wherever it is envisioned in the legislation. The indicator does not deal with the termination of employment and demotion of senior civil servants.

<b>Sub-indicators</b>	<b>Maximum points</b>
<b>Legal framework and organisation of dismissals and demotions</b>	
1. Objectivity of criteria for termination of employment in civil service legislation	6
2. Objectivity of criteria for demotion of civil servants in the legislative framework	2
3. Right to appeal dismissal and demotion decisions to the courts	2
<b>Fairness and results of dismissal practices</b>	
4. Dismissal decisions confirmed by the courts (%)	4
5. Implementation of court decisions favourable to dismissed civil servants (%)	4
Total points	0-2      3-6      7-9      10-12      13-15      16-18
<b>Final indicator value</b>	<b>0      1      2      3      4      5</b>

**Full description of each sub-indicator**

<b>Legal framework and organisation of dismissals and demotions</b>	
<b>Sub-indicator 1</b>	<b>Objectivity of criteria for termination of employment in civil service legislation</b>
Methodology	<p>Expert review of primary and secondary legislation on termination of employment in the civil service. Expert review of official reports (e.g. by the ombudsman, by the body in charge of the inspection of the civil service, if it exists, and by the civil service central co-ordination body) and other reports produced by external bodies.</p> <p>Analysis of legislation is supplemented with analysis of one source of quantitative data:</p> <ul style="list-style-type: none"> <li>The percentage of civil servants whose employment relation was terminated during the year, by cause of termination (number of civil servants whose employment relation was terminated during the latest full calendar year broken down by case, as defined by the law), divided by the total number of civil servants whose employment relation was terminated during that year, multiplied by 100). Data relates to central government administration only.</li> </ul> <p>This quantitative data has no direct influence on the point allocation, but it helps to determine the real weight of different grounds for dismissal, thus highlighting which areas should be analysed in more detail. If there are separate provisions regulating the senior civil service, they are not assessed under this sub-indicator.</p> <p>As a rule, a dismissal should not take place before the expiry of a minimum period of 1.5 assessment cycles from the start of the assessment that resulted in the first negative appraisal, but the total period should not be shorter than 12 months. This is considered a sufficiently long period of time for the purposes of the</p>

	<p>assessment.</p> <p>Other reasons for dismissal generally acceptable for SIGMA include a court judgement, a disciplinary process, recurrent negative performance appraisals, reorganisation or downsizing.</p>
Point allocation	<p>For each of the following three criteria, points are awarded (total of 6 points).</p> <p>Only one point is awarded for each criteria if the provisions are in place, but are of poor legal quality, allow for different interpretations and lack precision, or the process set in secondary legislation (for example related to disciplinary procedures or appraisals) does not fully guarantee decisions based on merit; or there are official, well-documented reports or reliable academic studies that show significant shortcomings in the practice of dismissals.</p> <p>Two points are awarded for each of the three criteria if they are fully met:</p> <ul style="list-style-type: none"> <li>• Dismissal due to restructuring or downsizing is possible only based on objective technical, economic and organisational reasons. Individual dismissal decisions are taken based on principles of merit and non-discrimination;</li> <li>• Dismissal for inadequate performance is possible, but only as a result of recurrent negative appraisals over a sufficiently long period of time;</li> <li>• Other reasons for dismissal are based on objective criteria.</li> </ul>
<b>Sub-indicator 2</b>	<b>Objectivity of criteria for demotion of civil servants in the legislative framework</b>
Methodology	<p>Expert review of primary and secondary legislation on the demotion of civil servants. Expert review of official and academic reports (e.g. by the ombudsman, by the body in charge of the inspection of the civil service, if it exists, and by the civil service central co-ordination unit). If there are separate provisions regulating the senior civil service, they are not assessed under this sub-indicator.</p> <p>Shortcomings in the clarity of the legal provisions means that the legislation allows for different interpretations or lack of precision, or the process set in secondary legislation (for example related to disciplinary procedures or appraisals) does not fully guarantee decisions based on merit.</p> <p>Shortcomings in the practice of dismissals are identified by analysing official, well-documented reports or reliable academic studies that show significant shortcomings in the practice of dismissals.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = the civil service legislation either does not allow for the demotion of civil servants or allows it as a result of a disciplinary process or reorganisation or downsizing.</li> <li>• 1 point = the civil service legislation either does not allow for the demotion of civil servants or allows it as a result of a disciplinary process or reorganisation or downsizing, but there are shortcomings in the clarity of the legal provisions or evidence of shortcomings in practice of dismissals.</li> <li>• 0 points = the civil service legislation allows for demotions for reasons other than disciplinary process, reorganisation or downsizing.</li> </ul>
<b>Sub-indicator 3</b>	<b>Right to appeal dismissal and demotion decisions to the courts</b>
Methodology	Expert review of legislation.
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = appeal to the courts related to dismissal or demotion decisions is possible.</li> <li>• 0 points = appeal to the courts related to dismissal or demotion decisions is</li> </ul>

	not possible.
<b>Fairness and results of dismissal practices</b>	
<b>Sub-indicator 4</b>	<b>Dismissal decisions confirmed by the courts (%)</b>
Methodology	<p>Number of dismissal decisions confirmed by the courts divided by the number of court rulings related to dismissal decisions, in the latest full calendar year, expressed as a percentage. Data relates to central government administration only.</p> <p>If there is no data available for this sub-indicator, data from the selected examples of five central government bodies will be provided, which include two ministries (the same in all assessed countries) and the three other central government bodies with the highest number of civil servants reporting to the government, CoM or the prime minister.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = more than 90%, or there are no court rulings related to civil servants and no evidence that access to the courts have been obstructed</li> <li>• 3 points = 80%-90%</li> <li>• 2 points = 65%-79.99%</li> <li>• 1 point = 50%-64.99%</li> <li>• 0 points = below 50%, or there is evidence that access to the courts have been obstructed, or appeal to the court is not possible</li> </ul>
<b>Sub-indicator 5</b>	<b>Implementation of court decisions favourable to dismissed civil servants (%)</b>
Methodology	<p>The number of final court decisions favourable (reinstatement or financial compensation) to dismissed civil servants implemented during the latest full calendar year divided by the total number of final court decisions favourable to dismissed civil servants during the same year, expressed as a percentage. Data relates to central government administration only.</p> <p>If there is no data available for this sub-indicator, data from the selected examples of five central government bodies will be provided. These include two ministries (the same in all assessed countries) and the three other central government bodies with the highest number of civil servants reporting to the government, CoM or the prime minister.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = more than 90%, or there are no court rulings related to civil servants and no evidence that access to the courts has been obstructed</li> <li>• 3 points = 80%-90%</li> <li>• 2 points = 70%-79.99%</li> <li>• 1 point = 60%-69.99%</li> <li>• 0 points = below 60%, or evidence that access to the court has been obstructed, or appeal to the court is not possible</li> </ul>
Definitions of key terms and official data classifications used (if applicable)	

**Demotion:** unilateral and formal decision by an employer to move an employee to a lower position or grade.

**Dismissal:** unilateral and formal decision by an employer to terminate the employment contract.

**Downsizing:** deliberate strategy to reduce the size of the workforce in the relevant organisation in an attempt to improve its efficiency and/or effectiveness. The most common strategy used is the laying off of workers, but downsizing may also involve hiring freezes and/or early retirement programmes.

**Central government body:** ministries and public bodies subordinated to ministries, the prime minister or CoM (central government) and operating at national level. Subordination means that the government approves the draft budgets, plans and any performance reports of the bodies. Branches of central government bodies operating at sub-national level are also included, if they clearly constitute core government administration, such as regional tax offices.

**Organisational restructuring:** process by which an organisation changes its internal structure by suppressing, adding or modifying organisational units, the hierarchical and/or functional relations among them, and/or the internal operations and processes.

**Performance appraisal:** methodology and set of procedures for rating the work performance of individuals according to standards and criteria applied across one or several organisations in a similar fashion<sup>35</sup>.

#### Known limits and bias of data

##### **Sub-indicator 1: Objectivity of criteria for termination of employment in civil service legislation**

This indicator measures the extent to which the dismissal of civil servants linked to low performance is possible only when such low performance is adequately demonstrated. The expression “over a sufficiently long period of time” is not precise, because there are no indisputable standards to define that term. The time period adopted for low performance leading to dismissal is a minimum of 1.5 assessment cycles, but not shorter than 12 months for two consecutive appraisal cycles.

##### **Sub-indicator 4: Dismissal decisions confirmed by the courts (%)**

The scope of judicial review may differ across assessed countries. It may encompass a full review (on the merits of the case) or remain limited to formal (procedural) aspects. This restricts the comparability of this sub-indicator.

#### Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment is ensured by sending the assessment to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate understanding of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and also analyses relevant jurisprudence and academic literature.

<sup>35</sup>

OECD (2008), *The State of the Public Service*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264047990-en>.

**Principle 4: Direct or indirect political influence on senior managerial positions in the public service is prevented.**

**Indicator 3.4.1: Merit-based recruitment and dismissal of senior civil servants<sup>36</sup>**

This indicator measures the extent to which the legal framework and the organisation of recruitment and tenure conditions of the senior civil service support a professional senior management, free from undue political influence in access or termination of employment in senior civil service positions. This indicator relates to all competitions for senior positions, both external and internal.

Recruitment and dismissal in senior positions is treated under a separate indicator due to the importance of the role of this group of civil servants and the increased risk of politicisation and favouritism. High priority accorded to merit and competitiveness in the recruitment process reduces the possibility of political influence in appointments to such positions.

Sub-indicators	Maximum points
<b>Legal framework and organisation of recruitment and dismissal of senior civil servants</b>	
1. Appropriateness of the scope for the senior civil service in legislation	3
2. Adequacy of the legislative framework for merit-based recruitment for senior civil service positions	15
3. Objectivity of criteria for the termination of employment of senior civil servants in the legislative framework	4
4. Legislative protection of the rights of senior civil servants during demotion	2
<b>Merit-based recruitment and termination of employment in senior civil service positions in practice</b>	
5. Application in practice of recruitment procedures for the senior civil service	9
6. Ratio of eligible candidates per senior-level vacancy	4
7. Effectiveness of recruitment for senior civil service positions (%)	4
8. Women in senior civil service positions (%)	4
9. Stability in senior civil service positions	4
10. Dismissal decisions confirmed by the courts (%)	4
11. Implementation of final court decisions favourable to dismissed senior civil servants (%)	4
Total points	0-10      11-19      20-28      29-37      38-46      47-57
<b>Final indicator value</b>	<b>0      1      2      3      4      5</b>

**Full description of each sub-indicator**

<sup>36</sup> If positions two levels below minister are not part of the civil service (e.g. director general, deputy secretary general, deputy permanent secretary, or a director of a department of a ministry who lead policy areas and manage several, smaller managerial units within the ministry), 0 points are awarded for this whole indicator.

Legal framework and organisation of recruitment	
Sub-indicator 1	<b>Appropriateness of the scope for the senior civil service in legislation</b>
Methodology	<p>Analysis of legislation. It is not sufficient to analyse job titles, as they can have different meanings in different countries; it is important to clarify the level of the position in the hierarchy and if it is included in the professional civil service.</p> <p>Examples of positions one level below the minister are secretary general, state secretary, permanent secretary and equivalent.</p>
Point allocation	<p>For each of the following criteria, 1 point is awarded (total of 3 points):</p> <ul style="list-style-type: none"> <li>• The positions one level below the minister, and heads of agencies under ministries, are included in the scope of the senior civil service;</li> <li>• The position of secretary general (or equivalent) is responsible for HRM in the institution, including taking the recruitment and dismissal decisions related to non-senior civil servants;</li> <li>• There are separate provisions related to the recruitment or promotion to senior civil service positions that take into account the specificity of those positions.</li> </ul>
Sub-indicator 2	<b>Adequacy of the legislative framework for merit-based recruitment for senior civil service positions</b>
Methodology	Expert review of legislation and regulations.
Point allocation	<p>Points are allocated for each of the following 10 criteria (total of 15 points):</p> <ul style="list-style-type: none"> <li>• The principle of merit is included in the civil service legislation as a criterion for access to senior civil service positions (1 point);</li> <li>• Clear and non-discriminatory eligibility criteria for access to senior civil service positions are established<sup>37</sup> (2 points);</li> <li>• Competitions (internal or external) for senior civil service positions are established by law as the only way of accessing the senior civil service (2 points);</li> <li>• The deadline to submit applications is defined as at least ten working days from the date of the announcement (1 point);</li> <li>• If the legislation allows for acting senior civil servants, it sets a maximum non-renewable time limit of no longer than six months (1 point);</li> <li>• The law guarantees professional well-defined composition and functioning of selection committees, with no political interference (political appointees cannot be members) (1 point);</li> <li>• The legislation foresees that recruitment procedures to assess candidates to senior civil service positions include both written and oral assessments (2 points);</li> <li>• For senior civil service positions, legislation prescribes that the highest-ranked candidate should be appointed (or the second or third highest-ranked candidates can be appointed if written justification is provided) (3 points). However, if legislation stipulates that one of the three</li> </ul>

<sup>37</sup>

Criteria could include 1) citizenship; 2) full legal capacity to act; 3) proficiency in the country's languages; 4) a clean criminal record; 5) no prior dismissal from the civil service due to a disciplinary sanction; 6) specification of minimum age; and 7) fulfilment of requirements for the vacant position. In some cases, positive discrimination may be allowed, for example regarding disabled people and ethnic/community representation, if in line with EU Directive 2000/78/EC on Equal Treatment at Work.

	<p>highest-ranked candidates should be appointed but written justification is not necessary (only 1 point);</p> <ul style="list-style-type: none"> <li>• The right of candidates to appeal recruitment decisions is included in the applicable legislation (1 point);</li> <li>• There are at least two appeal instances: an administrative instance and the courts (1 point).</li> </ul>
<b>Sub-indicator 3</b>	<b>Objectivity of criteria for the termination of employment of senior civil servants in the legislative framework</b>
Methodology	<p>Expert review of primary and secondary legislation laying down the conditions for the termination of employment of senior civil servants (not demotion).  Experts verify that legislation does not allow for the dismissal of senior civil servants for any reasons other than termination of the appointment period, disciplinary or judiciary procedures, recurrent negative performance appraisal<sup>38</sup>, redundancy due to restructuring or downsizing processes, or other criteria, if they are objective.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = the civil service legislation only contains objective criteria for the termination of senior civil servants.</li> <li>• 0 points = the civil service legislation allows for termination of senior civil servants based on non-objective criteria.</li> </ul>
<b>Sub-indicator 4</b>	<b>Legislative protection of the rights of senior civil servants during demotion</b>
Methodology	Analysis of legislation.
Point allocation	<p>For each of the following two criteria, 1 point is awarded (total of 2 points):</p> <ul style="list-style-type: none"> <li>• Senior civil servants, if demoted, have a right to be moved to their previous position or a comparable position (for those who were recruited from existing civil servants), if the demotion is not the result of disciplinary procedures;</li> <li>• Demotion from senior civil service positions requires written justification.</li> </ul>
<b>Merit-based recruitment and termination of employment in senior civil service positions in practice</b>	
<b>Sub-indicator 5</b>	<b>Application in practice of recruitment procedures for the senior civil service</b>
Methodology	<p>Analysis of the five most recent examples of recruitment files of senior civil servants (all documents related to the recruitment process, from announcement to appointment) in the latest full calendar year, as well as supporting materials for selection committee members.  One file is selected from five central government bodies, which include two ministries (the same in all assessed countries) and three central government bodies with the highest number of civil servants reporting to the government, CoM or the prime minister. If files are not available for the latest full calendar year in any of the five institutions, (because there was no recruitment for senior positions), data from the year prior to that is requested.</p> <p>Job announcements must contain requirements based on legislation and job</p>

<sup>38</sup> As a rule, the dismissal should not take place before the expiry of the minimum time period of 1.5 assessment cycles from the start of the assessment that resulted in the first negative appraisal, but the total period should not be shorter than 12 months.

descriptions if these exist; the general requirements must be in line with the requirements set by the legislation, and the specific requirements in line with the job description.

Selection techniques are considered appropriate to senior positions if in all cases they were oriented to testing practices and solving problems, and not only to testing pure knowledge and other formal criteria.

As a rule the highest-ranked candidate must be appointed but, for senior civil servants, the second or third highest-ranked candidate may be appointed with written justification, but only when there are more than three eligible candidates for a vacancy.

Evidence that uniform and professional recruitment practices were proactively supported would be that training courses, workshops and/or networking events have been organised for the members of selection committees and recruiters in civil service organisations, and supporting materials made available.

Quantitative data:

- The number of senior civil service positions which are staffed by competitions divided by the total number of staffed senior civil service positions, expressed as a percentage. Data relates to the government administration only;
- Statistical data on number of appeals and results of appeals for recruitment decisions for the latest full calendar year. Data relates to government administration only.

Point allocation	<p>Points are allocated for each of the following 12 criteria (total of 9 points):</p> <ul style="list-style-type: none"><li>• Requirements in job announcements are well aligned with legislation and job descriptions (0.5 points, if the requirements are well-aligned in all cases analysed);</li><li>• Requirements contained in job descriptions or job announcements are aligned with responsibilities expected in the position (0.5 points if the requirements are aligned in at least four of the five cases analysed);</li><li>• The deadline to submit applications is defined as at least ten working days from the date of announcement (0.5 points if this is the case in all cases analysed);</li><li>• All announcements for vacancies to senior civil service positions are accessible on the single web portal (1 point);</li><li>• The single web portal where all senior civil service vacancies are published offers the possibility of sorting vacancies and subscribing to new announcements (0.5 points);</li><li>• At least 80% of senior civil service positions are staffed by internal or external competition (1 point, unless any positions were staffed permanently without competition);</li><li>• No members of selection committees are political appointees (1 point if this is true for all cases analysed);</li><li>• Selection included both written and oral examinations (in the form of structured interviews) (1 point if this is the case in all cases analysed);</li><li>• Selection techniques were appropriate to senior positions (1 point);</li><li>• The highest-ranked candidate was appointed in all five cases (1 point). One of the three highest-ranked candidates was appointed in all five cases, but written justification was not provided for one or more (0.5 points);</li><li>• There is statistical data available (0.5 points);</li><li>• There is evidence that uniform and professional recruitment practices were</li></ul>
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	proactively supported (0.5 points).
<b>Sub-indicator 6</b>	<b>Ratio of eligible candidates per senior-level vacancy</b>
Methodology	Total number of eligible candidates who participated in recruitment procedures for senior management vacancies in the latest full calendar year, divided by the number of senior management vacancies offered for competitive recruitment during the same period. Data relates to the central government administration only. Pending recruitments at the end of the year are excluded from the calculation.
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = more than 5 candidates per position</li> <li>• 2 points = 3-5 candidates per position</li> <li>• 0 points = fewer than 3 candidates per position or no centralised data is available</li> </ul>
<b>Sub-indicator 7</b>	<b>Effectiveness of recruitment for senior civil service positions (%)</b>
Methodology	The number of persons appointed to senior positions during the latest full calendar year as a result of competition, divided by the total number of senior management vacancies announced for competition during the same period, expressed as a percentage. Pending recruitments at the end of the year are excluded from the calculation. Data relates to central government administration only.
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = more than 90%</li> <li>• 3 points = 75%-90%</li> <li>• 2 points = 65%-74.99%</li> <li>• 1 point = 50%- 64.99%</li> <li>• 0 points = below 50% or no centralised data is available</li> </ul>
<b>Sub-indicator 8</b>	<b>Women in senior civil service positions (%)</b>
Methodology	The number of women in senior civil service positions divided by the total number civil servants in senior level positions in the latest full calendar year, expressed as a percentage. Data relates to central government administration only.
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = more than 30%</li> <li>• 2 point = 20%-30%</li> <li>• 0 point = below 20% or no centralised data is available</li> </ul>
<b>Sub-indicator 9</b>	<b>Stability in senior civil service positions</b>
Methodology	<p>Assessment is based on the following data:</p> <ul style="list-style-type: none"> <li>• Annual turnover in senior civil service positions during the year in which the government was last formed (calculated as the number of civil servants who left their position, divided by the total employment in those positions at the beginning of the year, expressed as a percentage). Data relates to central government administration only;</li> <li>• Annual turnover in senior civil service positions during the year after the latest formation of the government (calculated as the number of civil servants who left their position, divided by the total employment in those positions at the beginning of the year, expressed as a percentage). Data</li> </ul>

	<p>relates to central government administration only;</p> <ul style="list-style-type: none"> <li>• Annual turnover in senior civil service positions during the latest full calendar year (calculated as the number of civil servants who left their position, divided by the total employment in those positions at the beginning of the year, expressed as a percentage). Data relates to central government administration only.</li> </ul> <p>For the calculation of the sub-indicator the highest value of the three mentioned above is taken. If the latest formation of the government was in the second half of the latest full calendar year or later, data about previous formation of the government is analysed.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = less than 10%</li> <li>• 3 points = 10%-19.99%</li> <li>• 2 points = 20%-29.99%</li> <li>• 1 point = 30%-40%</li> <li>• 0 points = more than 40%</li> </ul>
<b>Sub-indicator 10</b>	<b>Dismissal decisions confirmed by the courts (%)</b>
Methodology	<p>The number of decisions on dismissal of senior civil servants that were confirmed by the courts divided by the total number of court judgements (related to dismissals of senior civil servants), expressed as a percentage. Data relates to the central government administration only.</p> <p>If there is no central data available for this sub-indicator, the situation is analysed for five central government bodies, which include two ministries (the same in all assessed countries) and the three central government bodies with the highest number of civil servants reporting to the government, CoM or the prime minister.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = more than 70%, or there were no court rulings related to senior civil servants and no evidence that access to the courts is hindered</li> <li>• 2 points = 50%-70%</li> <li>• 0 points = below 50%, or appeal to the court is not possible, or there is evidence that access to the courts is hindered</li> </ul>
<b>Sub-indicator 11</b>	<b>Implementation of final court decisions favourable to dismissed senior civil servants (%)</b>
Methodology	<p>The number of final court decisions favourable (reinstatement or financial compensation) to dismissed senior civil servants which were implemented within the last full calendar year divided by the total number of final court decisions favourable to dismissed senior civil servants during the same period, expressed as a percentage. Data relates to the government administration only.</p> <p>If there is no central data available for this sub-indicator, data will be requested from five central government bodies: two ministries (the same in all assessed countries) and the three central government bodies with the highest number of civil servants reporting to the government, CoM or the prime minister.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = more than 90%, or there are no court rulings related to senior civil servants and no evidence that access to courts is hindered</li> <li>• 3 points = 80%-90%</li> <li>• 2 points = 70%-79.99%</li> <li>• 1 point = 60%-69.99%</li> </ul>

- 0 points = below 60%, or appeal to courts is not possible, or there is evidence that access to the courts is hindered

#### Definitions of key terms and official data classifications used (if applicable)

**Administrative appeal:** procedure of intra-administrative (non-judicial) review of a decision issued by the relevant administrative body, separate and independent of the administrative body of first instance.

**Dismissal:** unilateral and formal decision by an employer to terminate the employment contract.

**Demotion:** unilateral and formal decision by an employer to move an employee to a lower position or grade. Usually demotions of senior civil servants are due to: end of term, bad performance, and disciplinary sanction. For the purpose of this indicator, demotion also includes voluntary demotions.

**Central government body:** ministries and public bodies subordinated to ministries, prime minister or CoM and operating at the national level. Subordination means that the government approves the draft budgets, plans and any performance reports of the bodies. Branches of central government bodies operating at sub-national level are also included, if they clearly constitute core government administration, such as regional tax offices.

**Recruitment:** process of finding and hiring the best-qualified candidate (from within or outside of an organisation) for a job opening. The recruitment process includes: 1) job design based on the analysis of organisational needs and objectives; 2) dissemination of the job offer; 3) selection (screening documents, interviewing, verifying received information and shortlisting); and 4) induction.

**Senior civil service:** professional civil servants employed in top-level management positions in the national civil service, formally or informally recognised as a separate group. There is no universally agreed definition of the senior civil service. SIGMA limits the definition to the following civil service positions: 1) managerial positions one level below minister or deputy minister, if deputy minister is a political position, (e.g. secretary general, state secretary, permanent secretary) or equivalent; 2) managerial positions two levels below minister or deputy minister (e.g. director general, deputy secretary general, deputy permanent secretary of a ministry and, in some cases, directors of departments) responsible for leading several policy areas and managing numerous managerial units within a ministry; and 3) heads of bodies subordinated to the ministries, the prime minister or the CoM. Lower management levels, such as heads of units, are not included in the category of senior civil service.

Data is initially requested based on the definition in national legislation. However, if the legal definition differs considerably from the above definition and is too narrow (e.g. including only secretary generals), or too broad (e.g. encompassing lower levels of management, such as heads of units), SIGMA will ask for more relevant data which better reflects the senior civil service.

**Senior management vacancies:** positions in the senior civil service, as defined above.

#### Comparability

##### **Sub-indicator 8: Women in senior civil service positions (%)**

Data is available for OECD countries. The proportion of women in senior civil service positions is generally under 30%, with the exception of Finland (above 70%)<sup>39</sup>.

In addition to this, EY prepares the Worldwide Women Public Sector Leaders Index<sup>40</sup>, which provides information about the share of women in the senior civil service in G20 countries.

<sup>39</sup>

OECD (2016), *Background Report: Conference on Improving Women's Access to Leadership*, OECD Publishing, Paris, <https://www.oecd.org/daf/ca/OECD-Women-Leadership-2016-Report.pdf>.

## Known limits and bias of data

### **Sub-indicator 6: Ratio of eligible candidates per senior-level vacancy**

### **Sub-indicator 7: Effectiveness of recruitment for senior civil service positions (%)**

These two sub-indicators measure whether recruitment and selection procedures attract sufficient numbers of candidates with adequate professional profiles, as well as the attractiveness of employment in the public sector. A low percentage of eligible candidates may be the result of less competitive salaries in the public sector, despite fair and professionally managed recruitment and selection procedures. Therefore, the results should be analysed taking into account both management procedures and context.

### **Sub-indicator 9: Stability in civil service positions**

This is the only performance-related indicator for which good benchmarks are hard to find. SIGMA therefore assesses annual turnover rates to see if there are many changes among senior civil servants during years of government formation (or reformation) and during the assessment year. In systems where senior civil servants are appointed for a defined period of time, general turnover will be higher than in countries where they are appointed for permanent tenure, but turnover after elections may be lower.

## Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment is ensured by sending the assessment to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and also analyses relevant jurisprudence and academic literature.

Quantitative data received from public bodies is cleaned, and outliers are identified by cross-checking with historical data. Outliers and discrepancies are identified and discussed with the public bodies that provided them. SIGMA also triangulates this data by searching for other sources of information on each topic (e.g. studies prepared by other public bodies and institutions independent of the government).

## **Principle 5: The remuneration system of public servants is based on job classifications; it is fair and transparent.**

### **Indicator 3.5.1: Fairness and competitiveness of the remuneration system for civil servants**

This indicator measures the extent to which the legal framework and the organisation of the civil service salary system support fair and transparent remuneration of civil servants, in terms of both the legislative and organisational preconditions and the performance and fairness of the system in practice.

<b>Sub-indicators</b>	<b>Maximum points</b>
Legal framework and organisation of the remuneration system	
1. Legal obligation to base salaries on job classifications	2

<sup>40</sup> EY (2014), *Worldwide Women Public Sector Leaders Index 2014: Opening the door for women working in government*, [http://www.ey.com/Publication/vwLUAssets/EY\\_-\\_Worldwide\\_Women\\_Public\\_Sector\\_Leaders\\_Index\\_2014/\\$FILE/EY\\_Worldwide\\_Index\\_of\\_Women\\_22Oct14.pdf](http://www.ey.com/Publication/vwLUAssets/EY_-_Worldwide_Women_Public_Sector_Leaders_Index_2014/$FILE/EY_Worldwide_Index_of_Women_22Oct14.pdf).

2. Comprehensiveness, clarity and transparency in legal definitions of salary, criteria and procedures for allocation	2
3. Availability of salary information	3
<b>Performance and fairness of the remuneration system in practice</b>	
4. Fairness in the allocation of base salaries in the job classification system	4
5. Base salary compression ratio	2
6. Managerial discretion in the allocation of bonuses	2
7. Motivational character of bonuses (%)	2
8. Competitiveness of civil service salaries (%)	3
Total points	0-3      4-7      8-10      11-13      14-16      17-20
<b>Final indicator value</b>	<b>0      1      2      3      4      5</b>

<b>Full description of each sub-indicator</b>	
<b>Sub-indicator 1</b>	<b>Legal obligation to base salaries on job classifications</b>
Methodology	<p>Expert review of legislation to determine if the legislation establishes the obligation to base the salaries of civil servants on job classifications and if there is a classification of positions.</p> <p>In centralised systems, the centrally established classification will be analysed. In countries with decentralised salary systems, the job classification legislation in five central government bodies will be analysed, which include two ministries (the same in all assessed countries) and the three central government bodies with the highest number of civil servants reporting to the government, CoM or the prime minister.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = legislation establishes the obligation to base salaries on job classifications.</li> <li>• 0 points = legislation does not establish the obligation to base salaries on job classifications.</li> </ul>
<b>Sub-indicator 2</b>	<b>Comprehensiveness, clarity and transparency in legal definitions of salary, criteria and procedures for allocation</b>

<b>Methodology</b>	<p>Expert review of legislation. The legislation should identify and clearly define the different elements of salary and the criteria and procedures to allocate them. Elements of salary should be the base salary and salary supplements.</p> <p>Salary supplements that are not consolidated in the total salary and can change over time are referred to as variable salary (or variable pay). For instance, an employee's performance can be rewarded in the form of an annual bonus which is not consolidated in the total salary, and thus may change each month. In other salary systems, positive performance can be rewarded with a salary step that becomes consolidated. The sum of the base salary and the salary supplements that are consolidated in the total salary may be referred to as fixed salary. Clear and transparent criteria and procedures to allocate all these elements of salary, and the corresponding amounts, in each case, should be established in the legislation.</p>
<b>Point allocation</b>	<ul style="list-style-type: none"> <li>• 2 points = legislation clearly defines all elements of salary, criteria and procedures.</li> <li>• 0 points = legislation does not clearly define all elements of salary, criteria and procedures.</li> </ul>
<b>Sub-indicator 3</b>	<b>Availability of salary information</b>
<b>Methodology</b>	<p>Expert review of official government websites to verify if information on salaries is available for the candidates for the civil service and general public. This will be checked on the website of the central management body or government portal.</p> <p>Easy availability of information on government websites means that no more than three clicks are needed to reach the relevant information.</p>

<p><b>Point allocation</b></p>	<p>For each of the three following criteria, 1 point is awarded (total of 3 points):</p> <ul style="list-style-type: none"> <li>• The information on the salary offered (or salary range) is available in job announcements;</li> <li>• The information on average total salaries (disaggregated by different categories) is easily available on the web page of the central co-ordination unit of the civil service;</li> <li>• The general information on salary levels (salary scale) is easily available on an official website.</li> </ul>
<p><b>Sub-indicator 4</b></p>	<p><b>Fairness in the allocation of base salaries in the job classification system</b></p>
<p><b>Methodology</b></p>	<p>Analysis of legislation, government statistics on civil servants employed in senior expert and managerial positions, government reports that include gender-disaggregated statistics, and public information on the gender pay gap, (GPG).</p>
<p><b>Point allocation</b></p>	<p>For each of the following criteria, 1 point is awarded (total of 4 points):</p> <ul style="list-style-type: none"> <li>• The procedures to allocate base salary ensure the principles of merit, fairness and equal treatment;</li> <li>• Less than half of civil servants are employed in senior expert positions and managerial positions;</li> <li>• Salary statistics are disaggregated by gender in government reports;</li> <li>• Statistics on salaries relating to gender or, at a minimum, on the gender pay differentials, are publicly available and no more than two years old.</li> </ul>
<p><b>Sub-indicator 5</b></p>	<p><b>Base salary compression ratio</b></p>
<p><b>Methodology</b></p>	<p>Calculation of the base salary compression ratio, defined as the ratio between the highest base salary and the lowest base salary in the government's civil service salary scale (e.g. the base salary of a secretary general or equivalent position and the base salary of a junior expert or equivalent position). Low base salary compression ratios suggest that employees in the higher categories are underpaid or lower levels are overpaid. Differences among classes in each category must also be analysed. As a rule, the differences between higher classes should be higher than those among lower classes. The analysis only relates to civil servants. Data relates to the central government administration only.</p>
<p><b>Point allocation</b></p>	<ul style="list-style-type: none"> <li>• 2 points = the ratio falls between 1:2 and 1:10</li> <li>• 0 points = the ratio is lower than 1:2 or higher than 1:10</li> </ul>

<b>Sub-indicator 6</b>	<b>Managerial discretion in the allocation of bonuses</b>
Methodology	<p>Expert review of legislation, supplemented with the analysis of one source of quantitative data collected for the latest full calendar year:</p> <ul style="list-style-type: none"> <li>Percentage of bonuses with respect to total gross annual salary by professional category. The proportion can be slightly higher in high-level positions and lower in professional positions without managerial responsibility, but it should not exceed 20% of the total salary on average.</li> </ul> <p>Data relates to the central government administration only.</p>
Point allocation	<p>For each of the following two criteria, 1 point is awarded (total of 2 points):</p> <ul style="list-style-type: none"> <li>The percentage of bonuses in total remuneration is below 20%;</li> <li>The legislation contains clear and non-discriminatory criteria for allocating bonuses.</li> </ul> <p>If there are no bonuses, 2 points are awarded.</p>
<b>Sub-indicator 7</b>	<b>Motivational character of bonuses (%)</b>
Methodology	<p>Analysis of the following data:</p> <ul style="list-style-type: none"> <li>Percentage of civil servants who received bonuses during the latest full calendar year (if a civil servant received a bonus more than once during the year, he/she is counted as 1).</li> </ul> <p>If all or almost all civil servants received bonuses, it should be assumed that such bonuses do not have a motivational character.</p> <p>If data for the whole civil service is not available centrally, data from five institutions will be analysed, which include two ministries (the same in all assessed countries) and the three other central government bodies with the highest number of civil servants reporting to the government, CoM or the prime minister.</p> <p>Data relates to the central government administration only.</p>
Point allocation	<ul style="list-style-type: none"> <li>2 points = fewer than 50% of civil servants received a bonus.</li> <li>1 point = 50%-70% of civil servants received a bonus, or there are no bonuses.</li> <li>0 points = 70% or more of civil servants received a bonus.</li> </ul>
<b>Sub-indicator 8</b>	<b>Competitiveness of civil service salaries (%)</b>
Methodology	<p>The ratio of the average monthly salary in the civil service (for the central government administration), compared to the average monthly salary of tertiary-educated workers in the economy (first level of tertiary education or above, see definitions section), expressed as a percentage.</p> <p>If the above data is not available, but there are reliable and up-to-date salary reports available comparing the salaries in the civil service with other sectors in the economy, this data is used for the comparison (using the point allocation specified below).</p> <p>If the average salary among civil servants is too low, the civil service will not be considered an attractive career choice for qualified professionals. If the average salary is too high, it may push up other salaries in the economy, but this question</p>

	is not assessed under this indicator.
Point allocation	<ul style="list-style-type: none"> <li>● 3 points = more than 95%</li> <li>● 2 points = 85%-95%</li> <li>● 1 point = 75%-84.99%</li> <li>● 0 points = below 75%</li> </ul>

#### Definitions of key terms and official data classifications used (if applicable)

**Bonus:** variable element of pay that can be paid on an occasional basis. Payment of bonuses always contains some element of discretion or is based on the results of performance appraisals. Bonuses do not include elements of pay that are not based on discretionary factors (such as longevity pay, education allowance and geographical allowance). For the purposes of the assessment, this definition also includes performance-related pay, if it is at the discretion of managers.

**Tertiary education:** at least the first stage of tertiary education (ISCED 5), as defined in the *OECD Handbook for Internationally Comparative Education Statistics: Concepts, Standards, Definitions and Classifications*<sup>41</sup>. These programmes have a cumulative theoretical duration of at least two years, such as a bachelor's programme in the United Kingdom or the United States.

**Base salary compression ratio:** ratio between the base salary of the highest position and the base salary of the lowest position in the government's civil service salary scale (e.g. the base salary of a secretary general or equivalent position and the base salary of a junior expert or equivalent position).

**Central government body:** ministries and public bodies subordinated to ministries, prime minister or CoM (central government) and operating at national level. Subordination means that the government approves the draft budgets, plans and any performance reports of the bodies. Branches of central government bodies operating at sub-national level are also included, if they clearly constitute core government administration, such as regional tax offices.

**Gender pay gap:** the unadjusted GPG is a key indicator used within the European Employment Strategy to monitor imbalances in wages between men and women. It is defined as the difference between the average gross hourly earnings of men and women expressed as a percentage of the average gross hourly earnings of men<sup>42</sup>.

#### Comparability

##### **Sub-indicator 4: Fairness in allocation of base salaries in the job classification system**

Data on the GPG is available for France<sup>43</sup> and the United Kingdom<sup>44</sup>. In the French civil service in 2013, the GPG was 14.7% (net average salary for full-time equivalent employees). The salary gap was greater in higher categories (17.9% in category A, 10.7% in category B and 10.4% in category C). In the United Kingdom in 2015, the gap in the civil service was 12.8% (9.8% for full-time employees and 15.7% for part-time employees).

##### **Sub-indicator 5: Base salary compression ratio**

<sup>41</sup> OECD (2004), *OECD Handbook for Internationally Comparative Education Statistics: Concepts, Standards, Definitions and Classifications*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264104112-en>.

<sup>42</sup> Eurostat: *Gender pay gap statistics*, [http://ec.europa.eu/eurostat/statistics-explained/index.php/Gender\\_pay\\_gap\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Gender_pay_gap_statistics).

<sup>43</sup> INSEE, (2015), *Les salaires dans la fonction publique d'Etat*, No. 1 564, Paris, [http://www.fonction-publique.gouv.fr/files/files/statistiques/Hors\\_collection/insee-premiere1564.pdf](http://www.fonction-publique.gouv.fr/files/files/statistiques/Hors_collection/insee-premiere1564.pdf).

<sup>44</sup> Office for National Statistics (2015), *Statistical Bulletin "Civil Service Statistics: 2015"*, August, London, <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/publicsectorpersonnel/bulletins/civilservicestatistics/2015-10-08>.

The World Bank and the OECD collects data on wage compression ratios across the world<sup>45</sup>. The OECD also analyses the so-called vertical compression, but this measurement is not comparable to the base salary compression ratio<sup>46</sup>. Data collection in 2016 by SIGMA from Western Balkan countries and Turkey show that in those countries, the wage compression ratio in the civil service was between 1:3 and 1:5.

#### **Sub-indicator 6: Managerial discretion in the allocation of bonuses**

Data on the percentage of variable salary with respect to total gross monthly salary by professional category is available for OECD countries<sup>47</sup>. A 2008 OECD study finds a relationship between basic salary, consolidated salary supplements and performance-related pay of 77%-20%-3% for Australia; 92%-0%-8% for Germany; 98%-1%-1% for Ireland; 90%-7%-3% for the Netherlands; 99.3%-0.7%-0% for Sweden; and 77%-22%-1% for the United States, among other countries.

#### **Sub-indicator 8: Competitiveness of civil service salaries (%)**

Data on the ratio between average compensation in the private sector and in the public sector for similar professional groups is available for ten EU countries (Austria, Belgium, France, Germany, Greece, Ireland, Italy, Portugal, Slovenia and Spain)<sup>48</sup>.

Extensive data on wages in government is also collected for around 150 countries by the World Bank, under the “Size of the Public Sector: Government Wage Bill and Employment” research initiative<sup>49</sup>.

#### Known limits and bias of data

#### **Sub-indicator 3: Availability of salary information**

Data on civil service salaries may not include monetary allowances or the monetary value of in-kind benefits. This can result in underestimation of the wages of public employees, which may affect comparisons among public bodies (because they may handle differently the inclusion of allowances in the payroll and/or the provision of monetary or in-kind benefits) and comparisons between salary levels in the public and private sectors. It would thus be more precise to consider data on civil service compensation, rather than salaries. However, only data on salaries is considered for the purposes of this assessment, because reliable data on compensation is difficult to obtain. In addition, it is preferable to use the median rather than the mean when measuring salaries, as salaries usually follow a skewed distribution (because more employees earn low salaries than high salaries). For the purposes of this assessment, however, average values are used, because it would be more difficult to obtain median salaries. In general, due to imperfect national statistics, it may be difficult to compare civil service and business salaries.

#### **Sub-indicator 5: Base salary compression ratio**

For the base salary compression ratio, the definition provided is adapted from the International Monetary Fund (IMF)<sup>50</sup>, which refers to the “wage compression ratio”. An alternative indicator,

<sup>45</sup> World Bank (2008), “Wage Compression Data”, Washington DC.  
[http://databank.worldbank.org/data/download/catalog/wage\\_compression\\_data.xls](http://databank.worldbank.org/data/download/catalog/wage_compression_data.xls).

<sup>46</sup> OECD (2007), “Towards Better Measurement of Government”, *OECD Working Papers on Public Governance*, No. 1, OECD Publishing, Paris, <http://dx.doi.org/10.1787/301575636734>.

<sup>47</sup> Lonti, Z. and M. Woods (2008), “Towards Government at a Glance: Identification of Core Data and Issues related to Public Sector Efficiency”, *OECD Working Papers on Public Governance*, No. 7, OECD Publishing, Paris.  
<http://dx.doi.org/10.1787/245570167540>.

<sup>48</sup> European Central Bank (2011), “The public sector pay gap in a selection of Euro area countries”, *Working Paper Series* No. 1 406, December, <https://www.ecb.europa.eu/pub/pdf/scpwps/ecbwp1406.pdf>.

<sup>49</sup> World Bank (2016), *Size of the Public Sector: Government Wage Bill and Employment*,  
<http://www.worldbank.org/en/topic/governance/brief/size-of-the-public-sector-government-wage-bill-and-employment>.

<sup>50</sup> IMF (2010), *Evaluating Government Employment and Compensation*, Fiscal Affairs Department, September,  
<https://www.imf.org/external/pubs/ft/tnm/2010/tnm1015.pdf>.

“Dispersion of earnings in the public sector”, developed by the OECD<sup>51</sup>, measures wage compression as the ratio between the median of the first and ninth deciles of public-sector pay levels. This is a more precise definition, but also more difficult to calculate for the department of the civil service that provides the data. To ensure comparability, the definition of the indicator should be carefully adjusted to the structure of the civil service in each country. This is why it is advisable to take into account only professional or expert categories up to the top senior-management positions, excluding lowest-level job positions (such as administrative support, maintenance, etc.) that may be part of the civil service in some countries. If these lower-level positions were included in the calculation, the wage compression ratio might be higher, but it would not necessarily be indicative of better career-path progression for professional staff.

#### **Sub-indicator 8: Competitiveness of civil service salaries (%)**

Accurate comparisons should take into account all aspects of compensation, including in-kind and nonmonetary benefits, as well as deferred compensation (e.g. retirement or sick leave benefits). The usually greater job security in the public sector should also be taken into account. However, professional groups should be carefully defined to ensure comparability and to avoid significant differences in variables (such as educational attainment) that strongly influence salary levels. National statistical systems do not contain data on salaries in business that is detailed enough to offer viable comparisons with the civil service. That is why SIGMA uses external reports (if they exist) or will simplify the analysis (which may not provide a fully accurate picture).

#### Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment is ensured by sending the assessment to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and also analyses relevant jurisprudence and academic literature.

Quantitative data received from public bodies is cleaned, and outliers are identified by cross-checking with historical data. Outliers and discrepancies are identified and discussed with the public bodies that provided them. SIGMA also triangulates this data by searching for other sources of information on each topic (e.g. studies prepared by other public bodies and institutions independent of the government).

<sup>51</sup>

OECD (2007), “Towards Better Measurement of Government”, *OECD Working Papers on Public Governance*, No. 1, OECD Publishing, Paris, <http://dx.doi.org/10.1787/301575636734>.

**Principle 6: The professional development of public servants is ensured; this includes regular training, fair performance appraisal, and mobility and promotion based on objective and transparent criteria and merit.**

**Indicator 3.6.1: Professional development and training for civil servants**

This indicator measures the extent to which the legal framework and the organisation of training, performance appraisal, mobility and promotion support fair professional development in the civil service.

Sub-indicator	Maximum points
<b>Legal framework and organisation of professional development</b>	
1. Recognition of training as a right and a duty of civil servants	2
2. Co-ordination of the civil service training policy	3
3. Development, implementation and monitoring of training plans	3
4. Evaluation of training courses	2
5. Professionalism of performance assessments	4
6. Linkage between performance appraisals and measures designed to enhance professional achievement	4
7. Clarity of criteria for and encouragement of mobility	2
8. Adequacy of legislative framework for merit-based vertical promotion	2
9. Absence of political interference in vertical promotions	2
10. Right of civil servants to appeal against performance appraisal decisions	2
11. Right of civil servants to appeal mobility decisions	2
<b>Performance of professional development practices</b>	
12. Training expenditures in proportion to the annual salary budget (%)	4
13. Participation of civil servants in training (%)	5
14. Perceived level of meritocracy in the public sector (%)	5
Total points	0-6      7-13      14-21      22-29      30-36      37-42
<b>Final indicator value</b>	<b>0      1      2      3      4      5</b>

Full description of each sub-indicator	
Legal framework and organisation of professional development	
<b>Sub-indicator 1</b>	<b>Recognition of training as a right and a duty of civil servants</b>
Methodology	Expert review of laws.
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = training is recognised as a right and a duty of civil servants in legislation.</li> <li>• 0 points = training is not recognised as a right and a duty of civil servants in legislation.</li> </ul>
<b>Sub-indicator 2</b>	<b>Co-ordination of the civil service training policy</b>
Methodology	<p>Expert review of laws. Analysis of the number and topics of horizontal training, the structure of the body responsible for co-ordination of training and data on training courses.</p> <p>The existence of institutional responsibility for central co-ordination of civil service training is considered achieved when an institution exists that is responsible for the central co-ordination of civil service training or, if several such institutions exist, at least one of these is informed of all the training organised by other institutions.</p> <p>Data on centrally organised or co-ordinated training courses should be centrally collected and, at a minimum, the following data should be available: the number of training courses, the topics and the number of participants.</p>
Point allocation	<p>For each of the following three criteria, 1 point is awarded (total of 3 points):</p> <ul style="list-style-type: none"> <li>• Institutional responsibility for central co-ordination of civil service training exists;</li> <li>• Central training programmes for civil servants have been implemented;</li> <li>• Data on centrally organised (co-ordinated) training courses is collected.</li> </ul>
<b>Sub-indicator 3</b>	<b>Development, implementation and monitoring of training plans</b>
Methodology	<p>Expert review of legislation and guidelines on training needs analysis (TNA) and the formulation of training plans. Expert review of TNA reports and training plans. Interviews with staff in charge of TNA and training plans in training authority/authorities. Interviews with heads of HRM units are supplemented by quantitative data to assess the level of implementation of training plans:</p> <ul style="list-style-type: none"> <li>• The share of planned training courses that are actually implemented (number of training courses implemented according to the plan in the latest full calendar year divided by the total number of training courses planned for this period, expressed as a percentage).</li> </ul> <p>The above data influences the allocation of points. It helps establish to what extent training plans determine the implementation of training courses.</p> <p>In centralised systems, where one training plan for the civil service exists, this training plan is analysed. In decentralised systems, the situation is analysed for five central government bodies, which include two ministries (the same in all assessed countries) and the three other central government bodies with the highest number of civil servants reporting to the government, CoM or the prime</p>

	minister.
Point allocation	<p>For each of the following three criteria, 1 point is awarded (total of 3 points):</p> <ul style="list-style-type: none"> <li>• Training plans are based on TNAs in all analysed cases;</li> <li>• Implementation of training plans is monitored, and data on implementation is available;</li> <li>• More than 50% of planned training courses were implemented.</li> </ul>
<b>Sub-indicator 4</b>	<b>Evaluation of training courses</b>
Methodology	<p>Expert review of regulations on monitoring and evaluating training courses. Interviews with staff in charge of the monitoring and evaluation of training in the training authority/authorities and with heads of HRM units.</p> <p>If training is centralised, examples of training assessments from five central training courses will be analysed. If training is decentralised, then one example of an evaluation report from each of the five central government bodies, as identified in the previous sub-indicator, will be analysed.</p> <p>The number of reports analysed by SIGMA will depend on the assessment system (e.g. in some cases there may be one report for each training course, while in others, each public body may formulate assessment reports referring to a given period, etc.).</p>
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = individual training programmes are assessed for quality and conclusions are drawn in each institution analysed. Training reports are produced.</li> <li>• 1 point = individual training programmes are assessed for quality in all institutions analysed. Training reports are produced.</li> <li>• 0 points = individual training programmes are not assessed for quality in all institutions analysed, or training reports are not produced.</li> </ul>
<b>Sub-indicator 5</b>	<b>Professionalism of performance assessments</b>
Methodology	<p>Expert review of legislation, guidelines on performance appraisal methods and procedures, and competence frameworks. Interviews with the civil service central co-ordination unit and the heads of HRM units.</p> <p>The legislation must meet four basic criteria for a performance assessment system:</p> <ul style="list-style-type: none"> <li>• Performance is assessed against individual objectives aligned with the functions and level of responsibility of the position (in competence-based HRM systems, the level of attainment of professional competences is also assessed, following a general competence framework);</li> <li>• Civil servants are informed about the objectives on which they will be evaluated;</li> <li>• The results are recorded in written form;</li> <li>• Interviews between the civil servants and their managers are compulsory.</li> </ul> <p>Two sources of quantitative data are analysed to assess the implementation of performance appraisals:</p> <ul style="list-style-type: none"> <li>• The percentage of civil servants whose performance was appraised during the latest full calendar year (the number of civil servants appraised during the assessment year divided by the number of civil servants that were eligible for appraisal, multiplied by 100);</li> </ul>

	<ul style="list-style-type: none"> <li>Performance appraisal results (the number of performance appraisal results at each level of the appraisal scale in the latest full calendar year). SIGMA defines “higher performance scales” as those higher than “average”, “acceptable” or similar middle categories.</li> </ul> <p>Data relates to the central government administration only.</p>
Point allocation	<p>Points are allocated for each of the three following criteria (total of 4 points):</p> <ul style="list-style-type: none"> <li>Legislation meets basic criteria for the performance assessment system (2 points);</li> <li>Performance appraisal is applied to at least 70% of eligible civil servants (1 point);</li> <li>The proportion of results falling into the higher performance scales is not over 60% (1 point).</li> </ul>
<b>Sub-indicator 6</b>	<b>Linkage between performance appraisals and measures designed to enhance professional achievement</b>
Methodology	<p>Expert review of regulations and guidelines of performance appraisals and interviews to determine whether the results of performance appraisals are linked to decisions on the following for civil servants: training, mobility and promotion; dismissals; financial rewards (e.g. bonuses); non-financial rewards (e.g. public recognition) or specific measures to address negative results.</p> <p>It is not obligatory that performance appraisal be linked to all the above areas, but, in all cases, performance appraisals should at least provide feedback to employees on their level of professional competence and performance, and be linked to professional development.</p>
Point allocation	<ul style="list-style-type: none"> <li>4 points = performance appraisals provide feedback to civil servants on their level of competence and are linked at least to professional development measures.</li> <li>2 points = results of performance appraisal provide feedback to civil servants, but are not linked to any other measures related to professional development.</li> <li>0 points = performance appraisals are not conducted or are applied to less than 70% of eligible civil servants.</li> </ul>
<b>Sub-indicator 7</b>	<b>Clarity of criteria for and encouragement of mobility</b>
Methodology	<p>Expert review of regulations prescribing the criteria and procedures to manage the mobility of civil servants and analysis of one source of quantitative data to assess the implementation of mobility:</p> <ul style="list-style-type: none"> <li>The percentage of civil servants seconded and transferred (the number of civil servants seconded and transferred, divided by the total number of civil servants at the beginning of the year, multiplied by 100). Data relates to the central government administration only. The following transfers are excluded: horizontal transfers within one institution, promotions and demotions.</li> </ul> <p>This data does not influence the point allocation, as it is not possible to establish causality between the levels of mobility and the rates of seconded and transferred civil servants.</p> <p>Mobility decisions related to the disciplinary regime and vertical promotions are not considered in this sub-indicator.</p>

Point allocation	<ul style="list-style-type: none"> <li>• 2 points = criteria and procedures to encourage and to manage mobility of civil servants are established in the legislation.</li> <li>• 1 point = criteria and procedures to encourage and to manage the mobility of civil servants are established in the legislation, but there is evidence from credible sources that the implementation is flawed, or is rarely used.</li> <li>• 0 points = there are no criteria and procedures established in legislation to ensure the effective management of the mobility of civil servants, or there is evidence from credible sources that the implementation is flawed, or is rarely used.</li> </ul>
<b>Sub-indicator 8</b>	<b>Adequacy of legislative framework for merit-based vertical promotion</b>
Methodology	<p>Expert review of legislation. Interviews with the staff of the civil service central co-ordination unit and with heads of HRM units.</p> <p>Promotions to senior management positions are excluded from the analysis.</p>
Point allocation	<p>For each of the following two criteria, 1 point is awarded (total of 2 points):</p> <ul style="list-style-type: none"> <li>• The primary legislation establishes that vertical promotion is based on merit, objective and transparent criteria; civil servants cannot be promoted to the higher category, without formal checking of their competences;</li> <li>• The legal procedures, usually established in secondary legislation, ensure merit-based promotions.</li> </ul>
<b>Sub-indicator 9</b>	<b>Absence of political interference in vertical promotions</b>
Methodology	<p>Expert review of legislation, interviews with the staff of the civil service central co-ordination unit and with heads of HRM units, supplemented by assessment of the two most recent examples of vertical promotion files in five central government bodies from the latest full calendar year.</p> <p>The situation is analysed for five central government bodies, which include two ministries (the same in all assessed countries) and the three central government bodies with the highest number of civil servants reporting to the government, CoM or the prime minister.</p> <p>Adequate safeguards against political interference in vertical promotions are considered to exist when political appointees are not able to directly promote non-senior civil servants to higher hierarchical positions (analysis of legislation and cases of practice); are not members of promotion panels; do not appoint members of promotion panels; and provisions define a minimum requirement of qualification and experience for members of promotion panels.</p> <p>Political appointees should not make the decisions on the promotion of non-senior civil servants. Political interference will also be considered to exist where political appointees are members of promotion panels or they appoint members of promotion panels. Provisions should ensure that the members are qualified and experienced.</p> <p>Senior-level positions are excluded from the analysis.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = there are adequate safeguards against political interference in vertical promotions.</li> <li>• 0 points = safeguards against political interference in vertical promotions are inadequate.</li> </ul>

<b>Sub-indicator 10</b>	<b>Right of civil servants to appeal against performance appraisal decisions</b>
Methodology	Expert review of legislation.
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = the right of civil servants to appeal performance appraisal decisions is included in the legislation; there are at least two appeal instances, an administrative instance and the courts.</li> <li>• 1 point = the right is established in legislation but there is no administrative appeal instance in place and decisions must thus be challenged directly in the courts.</li> <li>• 0 points = civil servants' right to appeal performance appraisal decisions in the courts is not established.</li> </ul>
<b>Sub-indicator 11</b>	<b>Right of civil servants to appeal mobility decisions</b>
Methodology	Expert review of legislation. The focus is to check if mobility decisions for which the consent of the civil servant was not necessary can be appealed.
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = the right of civil servants to appeal mobility is included in the legislation; there are at least two appeal instances, administrative instance (one or two) and the courts.</li> <li>• 1 point = the right is established in the legislation but there is no administrative appeal instance in place and therefore decisions must be challenged directly in the courts.</li> <li>• 0 points = civil servants' right to appeal mobility decisions in the courts is not established.</li> </ul>
<b>Performance of professional development practices</b>	
<b>Sub-indicator 12</b>	<b>Training expenditures in proportion to the annual salary budget (%)</b>
Methodology	<p>Expenditures on the training of civil servants borne by the state budget (centrally organised training and training in public bodies), divided by the expenditures spent on the total salary of civil servants, expressed as a percentage. Data relates to the central government administration only.</p> <p>Only the training financed by the state budget is counted. Donor-financed training that is not part of the state budget is excluded.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = the expenditure on training exceeds 1% of the salary budget and expenditure data on training courses organised is available.</li> <li>• 2 points = the expenditure on training is 1% or below the salary budget but expenditure data on all training courses organised is collected.</li> <li>• 0 points = the expenditure on training is 1% or below the salary budget and expenditure data on all training courses organised is not collected.</li> </ul>
<b>Sub-indicator 13</b>	<b>Participation of civil servants in training (%)</b>
Methodology	The number of civil servants who participated in training courses financed by the state budget in the latest full calendar year (at least once; if a civil servant participated in several training course, it counts for one only), divided by the total number of civil servants at the beginning of the year, expressed as a percentage. Data relates to the government administration only.
Point allocation	<ul style="list-style-type: none"> <li>• 5 points = more than 70% of civil servants participated in at least one training course.</li> </ul>

	<ul style="list-style-type: none"> <li>• 4 points = 60%-70% of civil servants participated in at least one training course.</li> <li>• 3 points = 50%-59.99% of civil servants participated in at least one training course.</li> <li>• 2 points = 40%-49.99% of civil servants participated in at least one training course.</li> <li>• 1 point = 30%-39.99% of civil servants participated in at least one training course.</li> <li>• 0 points = fewer than 30% of civil servants participated in at least one training course.</li> </ul>
<b>Sub-indicator 14</b>	<b>Perceived level of meritocracy in the public sector (%)</b>
Methodology	<p>Analysis of a representative sample of citizens working in the public sector to a Balkan Barometer, or similar, survey question. Respondents are asked to what extent they agree with the following statement on a scale from 1 to 10: "In the public sector most people can succeed if they are willing to work hard".</p> <p>SIGMA also analyses the answers provided by the general population, but only responses from those currently working in the public service are analysed for the point allocation.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 5 points = the average response is 8 or above.</li> <li>• 4 points = the average response is 7.</li> <li>• 3 points = the average response is 6.</li> <li>• 2 points = the average response is 5.</li> <li>• 1 points = the average response is 4.</li> <li>• 0 point = the average response is 3 or less.</li> </ul>

#### Definitions of key terms and official data classifications used (if applicable)

**Administrative appeal:** procedure of intra-administrative (non-judicial) review of decision issued by the relevant administrative body, separate and independent of the administrative body of first instance.

**Central government body:** ministries and public bodies subordinated to ministries, the prime minister or CoM (central government) and operating at national level. Subordination means that the government approves the draft budgets, plans and any performance reports of the bodies. Branches of central government bodies operating at sub-national level are also included if they clearly constitute core government administration, such as regional tax offices.

**Horizontal promotion:** career progression while remaining in the same job position, through modification of the professional grade and/or salary step.

**Mobility:** mobility includes both secondment and lateral transfers. Secondment means a move to a job position in another organisational unit or to another public or private institution, in which the public body that seconds the civil servant remains his/her employer. Lateral transfer means a move to a job position of equivalent level, either in the same public body where the civil servant works or in another public organisation that becomes the employer of the transferred civil servant. For the purpose of the assessment, the following transfers are excluded: horizontal transfers within one institution, promotions and demotions.

**Performance appraisal:** methodology and set of procedures for rating the work performance of individuals according to standards and criteria applied across one or several organisations in a similar fashion<sup>52</sup>.

**Training needs analysis (TNA):** systematic process to assess the goals of the organisation, determines the training needed to achieve those goals and decides on the training priorities that will make the greatest contribution to the organisation.

**Training plans:** periodic documents that set out the training priorities for the planning period, the training activities to be developed, and the objectives, target groups, calendar, resources and evaluation methods.

**Vertical promotion:** move from the existing job position to another job position of a higher grade (in the hierarchy) or professional category.

## Comparability

### **Sub-indicator 14: Perceived level of meritocracy in the public sector (%)**

The European Quality of Government Survey uses an identical question but a more complex question type (asking the respondent to rate their level of agreement between two opposing statements)<sup>53</sup>.

The Quality of Government (QoG) Expert Survey includes a question on whether “The practice of hiring, firing, promoting and paying public sector employees follows the provisions of the laws and other legal documents regulating these processes”<sup>54</sup>. However, it is a survey based on the opinions of a few selected experts, not a representative survey.

## Known limits and bias of data

### **Sub-indicator 3: Development, implementation and monitoring of training plans**

The existence, quality and level of implementation of training needs analysis and training plans may vary substantially among public bodies depending, among other factors, on the level of centralisation of competences for civil service training policy definition and implementation. Such variability will not be fully captured by the sub-indicator.

### **Sub-indicator 14: Perceived level of meritocracy in the public sector (%)**

There is no established standard for how meritocracy in the public sector should be measured. There are few empirical studies of this broad concept and most have relied on expert judgement. Perceptions of meritocracy are a good complement to other measures but perceptions can be influenced by external variables, such as the general level of professionalism, and perceptions are slow to change. SIGMA’s measure isolates responses from those employed in the public sector, as they can best deliver an accurate assessment. However, the responses from the general public are also analysed.

<sup>52</sup> OECD (2008), *The State of the Public Service*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264047990-en>.

<sup>53</sup> Charron, N., C. Dahlström and V. Lapuente (2016), “Measuring Meritocracy in the Public Sector: A New National and Sub-National Indicator”, *European Journal on Criminal Policy and Research*, Vol. 22/3, pp. 499-523.

<sup>54</sup> Dahlberg, S. et al., *The QoG Expert Survey Dataset II*, University of Gothenburg: The Quality of Government Institute, <http://qog.pol.gu.se/data/datadownloads/qogexpertsurveydata>.

## Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment is ensured by sending the assessment to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature.

Quantitative data received from public bodies is cleaned, and outliers are identified by cross-checking with historical data. Outliers and discrepancies are identified and discussed with the public bodies that provided them. SIGMA also triangulates this data by searching for other sources of information on each topic (e.g. studies prepared by other public bodies and institutions independent of the government).

## Principle 7: Measures for promoting integrity, preventing corruption and ensuring discipline in the public service are in place.

### Indicator 3.7.1: Quality of disciplinary procedures for civil servants

This indicator measures the extent to which the legal framework and the organisation of disciplinary procedures support individual accountability, professionalism and integrity of civil servants and safeguard civil servants against unfair and arbitrary disciplinary cases.

Sub-indicators	Maximum points
Legal framework and organisation of disciplinary system	
1. The adequacy of civil service legislation to uphold basic principles related to disciplinary procedures	4
2. Compliance between disciplinary procedures and essential procedural principles	6
3. Time limits for the administration to initiate disciplinary action and/or punish misbehaviour	2
4. Legislative safeguards for suspension of civil servants from duty	2
Performance of the disciplinary procedures	
5. Disciplinary decisions confirmed by the courts (%)	4
Total points	0-3
Final indicator value	0
4-6	1
7-9	2
10-12	3
13-15	4
16-18	5

Full description of each sub-indicator	
Legal framework and organisation of disciplinary system	
Sub-indicator 1	The adequacy of civil service legislation to uphold basic principles related to disciplinary procedures
Methodology	<p>Expert review of legislation. The legislation should contain at least the following five provisions:</p> <ul style="list-style-type: none"> <li>• An explicit statement of civil servants' obligations;</li> <li>• That a breach of their obligations by civil servants should lead to disciplinary proceedings;</li> <li>• A list of disciplinary sanctions which is exhaustive and contains a sufficient range of sanctions;</li> <li>• A clear statement of the principle of proportionality (between the gravity of wrongdoing and the disciplinary sanction);</li> <li>• A statement of circumstances that aggravate or extenuate disciplinary sanctions (e.g. the position of civil servant, the level of responsibility, past disciplinary record, past performance, intentionality/wilfulness to commit deliberately, having undertaken efforts to repair the damage, force majeure, consequences of violation).</li> </ul> <p>The analysis of legislation will be supplemented by the assessment of two sources of quantitative data:</p> <ul style="list-style-type: none"> <li>• The percentage of disciplinary procedures by type of offence (number of disciplinary procedures finalised in the latest full calendar year by type of offence, divided by the total number of procedures finalised in the same year, multiplied by 100);</li> <li>• The percentage of disciplinary sanctions by type (number of disciplinary sanctions in the latest full calendar year by type of offence, divided by the total number of disciplinary sanctions in the same year, multiplied by 100).</li> </ul> <p>This data relates to the central government administration only. It does not directly influence the point allocation but provides useful contextual analysis.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = the legislation contains all 5 provisions.</li> <li>• 2 points = the legislation contains 4 of the 5 provisions.</li> <li>• 0 points = the legislation contains fewer than 4 of the provisions.</li> </ul>
Sub-indicator 2	Compliance between disciplinary procedures and essential procedural principles
Methodology	<p>Expert review of legislation to check whether disciplinary procedures meet the following eight criteria:</p> <ul style="list-style-type: none"> <li>• They respect the presumption of innocence;</li> <li>• They ensure the right of civil servants to defend themselves against the charges and to submit their own version of the facts and evidence;</li> <li>• They ensure civil servants the right to use legal advice according to their choice, including union representatives;</li> <li>• They ensure the right to access the relevant documents that constitute the basis for the charges;</li> <li>• They ensure the right to grant a hearing, either orally or in writing, prior to any resolution issued by the disciplinary authority;</li> <li>• They ensure the right to appeal the decision of the disciplinary authority;</li> <li>• They ensure the right to be heard during appeal procedures;</li> </ul>

	<ul style="list-style-type: none"> <li>The disciplinary procedure contains at least the following procedural steps, regulated in detail in legislation: a) initiation of the procedure; b) impartial investigation of the facts; c) hearing of the civil servant concerned and bodies involved in initiation of the procedure; and d) the decision and the review.</li> </ul>
Point allocation	<ul style="list-style-type: none"> <li>6 points = all 8 criteria above are fulfilled.</li> <li>3 points = all 8 criteria are fulfilled with the exception of the criterion regarding the right to use legal advice.</li> <li>0 points = fewer than 8 criteria are fulfilled.</li> </ul>
<b>Sub-indicator 3</b>	<b>Time limits for the administration to initiate disciplinary action and/or punish misbehaviour</b>
Methodology	Expert review of legislation. The time limits for initiating disciplinary actions are analysed, as set by the legislation.
Point allocation	<p>For each of the following criteria for elements that should be regulated in the legislation, 0.5 points are awarded (total of 2 points):</p> <ul style="list-style-type: none"> <li>The ability of the administration to take action aimed at imposing a sanction for an offence must be limited to a specified period of time, counted from the moment when the offence was committed and known by the administration. Beyond that limited period, administrative action is precluded;</li> <li>The disciplinary proceedings should be initiated immediately after the wrongdoing becomes known to the employer (no longer than one month);</li> <li>For minor violations, the time limit for starting disciplinary procedures should be no longer than two years and not shorter than six months from the date of the wrongdoing;</li> <li>For serious violations, the time limit for starting disciplinary procedures should be no less than three years from the date of the wrongdoing.</li> </ul>
<b>Sub-indicator 4</b>	<b>Legislative safeguards for suspension of civil servants from duty</b>
Methodology	Expert review of legislation. Grounds for suspension are limited to justified risks (e.g. if it can be demonstrated that there is a well-justified risk that pieces of evidence may be lost, that the presence of the incumbent civil servant will significantly hamper the disciplinary procedure, or that his/her presence would be harmful to the reputation of the civil service). Consequences of the suspension in salaries and other benefits during the periods of suspension, and the consequences in case either of acquittal or of punishment of the civil servant must also be regulated.
Point allocation	<p>For each of the following two criteria, 1 point is awarded (total of 2 points):</p> <ul style="list-style-type: none"> <li>The suspension and its financial implications (on salary and benefits) are regulated in the legislation;</li> <li>The legislation regulates grounds for potential suspension.</li> </ul>

Performance of the disciplinary system	
Sub-indicator 5	Disciplinary decisions confirmed by the courts (%)
Methodology	<p>The number of court decisions confirming disciplinary sanctions divided by the total number of court decisions related to disciplinary sanctions, expressed as a percentage. Data is collected for the latest full calendar year and relates to the central government administration only.</p> <p>If there is no overall data available, data from five central government bodies will be requested, which include two ministries (the same in all assessed countries) and the three central government bodies with the highest number of civil servants reporting to the government, CoM or the prime minister.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = more than 90%, or there are no court rulings related to disciplinary sanctions and no evidence that access to courts is hindered.</li> <li>• 2 points = between 75%-90%.</li> <li>• 0 points = below 75%, or appeal to the court is not possible, or there is evidence that access to courts is hindered.</li> </ul>
Definitions of key terms and official data classifications used (if applicable)	
<p><b>Disciplinary procedure:</b> the procedure established by law that regulates the proceedings conducted by the relevant administrative disciplinary body to investigate an alleged breach of regulations committed by a civil servant. Disciplinary procedures include rules for conducting an investigation and issuing the final disciplinary decision, as well as a catalogue of possible sanctions.</p> <p><b>Central government body:</b> ministries and public bodies subordinated to ministries, the prime minister or CoM and operating at national level. Subordination means that the government approves the draft budgets, plans and any performance reports of the bodies. Branches of central government bodies operating at sub-national level are also included, if they clearly constitute the core government administration, such as regional tax offices.</p>	
Known limits and bias of data	
<p><b>Sub-indicator 5: Disciplinary decisions confirmed by the courts (%)</b></p> <p>The scope of judicial review may differ across assessed countries. It may include a full review (on the merits of the case) or remain limited to formal (procedural) aspects. This hampers comparability for this indicator.</p>	
Data validation and quality assurance by SIGMA	
<p>The accuracy of the qualitative assessment is ensured by sending the assessment to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate understanding of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature.</p>	
<b>Indicator 3.7.2: Integrity of public servants</b>	
<p>This indicator measures the extent to which legislation, policies and organisational structures promote public sector integrity, whether these measures are applied in practice and how the public perceives the level of corruption in the public service.</p> <p>The indicator does not address the internal administrative proceedings related to integrity, as that is covered by a separate indicator on disciplinary procedures.</p>	

Sub-indicators	Maximum points
<b>Legal framework and organisation of public sector integrity</b>	
1. Completeness of the legal framework for public sector integrity	5
2. Existence of a comprehensive public sector integrity policy and action plan	4
3. Implementation of public sector integrity policy	3
<b>Public sector integrity in practice and public perceptions</b>	
4. Use of investigations in practice	4
5. Perceived level of bribery in the public sector by businesses (%)	4
6. Bribery in the public sector experienced by citizens (%)	4
Total points	0-3      4-7      8-11      12-15      16-19      20-24
<b>Final indicator value</b>	<b>0      1      2      3      4      5</b>

Full description of each sub-indicator	
<b>Legal framework and organisation of public sector integrity</b>	
<b>Sub-indicator 1</b>	<b>Completeness of the legal framework for public sector integrity</b>
Methodology	<p>Expert review of legislation. The legislation should include at least the following eight elements:</p> <ul style="list-style-type: none"> <li>• Conflicts of interest for all public servants;</li> <li>• Restriction of secondary employment for civil servants;</li> <li>• Restrictions to minimise “revolving doors” (including post-employment) for senior civil servants, particularly for regulators;</li> <li>• Rules related to the receipt of gifts and benefits, including a maximum value threshold;</li> <li>• Obligation to disclose assets for senior civil servants (not necessarily publicly);</li> <li>• Whistle-blower protection for all public servants;</li> <li>• Code of conduct and/or ethical guidelines for all public servants;</li> <li>• In the penal code, regulation of fraud, deception and corruption offences perpetrated by public officials, including, at a minimum: financial fraud against the state, acts of forgery/counterfeiting documents, active bribery, passive bribery, embezzlement, abuse of functions/power, trading in influence, illicit enrichment, money laundering and other acts involving the proceeds of crime (the definitions must be mutually exclusive, exhaustive and in line with the classifications of the United Nations Office on Drugs and Crime).</li> </ul>
Point allocation	<ul style="list-style-type: none"> <li>• 5 points = the legislation includes all 8 elements.</li> <li>• 3 points = the legislation includes 7 elements.</li> <li>• 1 point = the legislation includes 6 elements.</li> <li>• 0 points = the legislation includes fewer than 6 elements.</li> </ul>
<b>Sub-indicator 2</b>	<b>Existence of a comprehensive public sector integrity policy and action plan</b>
Methodology	Expert review of policy documents (can be either a single document, part of a wider government strategy or multiple documents).

Point allocation	For each of the following four criteria, 1 point is awarded (total of 4 points): <ul style="list-style-type: none"> <li>• The scope of the integrity policy encompasses the whole public service;</li> <li>• The policy contains clear objectives based on the analysis of the current situation;</li> <li>• The policy includes an action plan with specified activities, timelines and specified costs for each area of work;</li> <li>• The responsibility for implementing activities is specified at least at the level of organisations.</li> </ul>
<b>Sub-indicator 3</b>	<b>Implementation of public sector integrity policy</b>
Methodology	Expert review of reports related to the monitoring of public sector integrity policy documents. If the public sector integrity policy is part of a larger policy document then activities not relating to the civil service will be excluded from the analysis.
Point allocation	For each of the following three criteria, 1 point is awarded (total of 3 points): <ul style="list-style-type: none"> <li>• Monitoring reports are produced at least annually;</li> <li>• More than 60% of the activities related to the civil service planned for the latest full calendar year have been implemented by the end of that year;</li> <li>• Monitoring reports are publicly disclosed.</li> </ul>
Public sector integrity in practice and public perceptions	
<b>Sub-indicator 4</b>	<b>Use of investigations in practice</b>
Methodology	Expert review of administrative data and case files to verify a minimum level of use of integrity investigations in practice. The six criteria listed below assess whether cases against public servants are investigated and/or brought to trial. For each of these criteria, the government is asked to provide evidence of at least one case that fulfils the criteria: <ul style="list-style-type: none"> <li>• Conflicts of interest: at least one case of investigation of a civil servant in the past two years;</li> <li>• Secondary employment: at least one case of investigation of a civil servant in the past two years;</li> <li>• Post-employment: at least one case of investigation of a civil servant in the past two years;</li> <li>• Gifts and benefits: at least one case of investigation of a civil servant who breached the rules in the past year;</li> <li>• Disclosure of assets: at least one case of investigation of a senior civil servant on the basis of his or her asset declarations in the past two years;</li> <li>• Whistle-blowing: at least one whistle-blowing report that has led to a criminal investigation in the past two years.</li> </ul>
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = evidence of at least 1 case is provided for all 6 criteria.</li> <li>• 3 points = evidence of at least 1 case is provided for 5 of the 6 criteria.</li> <li>• 2 points = evidence of at least 1 case is provided for 4 of the 6 criteria.</li> <li>• 1 point = evidence of at least 1 case is provided for 3 of the 6 criteria.</li> <li>• 0 points = evidence of at least 1 case is provided for 2 or fewer of the 6 criteria.</li> </ul>
<b>Sub-indicator 5</b>	<b>Perceived level of bribery in the public sector by businesses (%)</b>
Methodology	Analysis of responses by a representative sample of businesses to a Balkan

	<p>Barometer Business annual survey, or similar, to the question: “Thinking about officials, to what extent would you agree with the following statement? It is common for firms in my line of business to have to pay some irregular ‘additional payments/gifts’ to ‘get things done’”. Options for response are 1 = totally disagree, 2 = tend to disagree, 3 = tend to agree, 4 = totally agree and 5 = refuse to answer.</p> <p>Assessors measure the percentage of respondents who answer “strongly agree” or “tend to agree”.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = less than 15%</li> <li>• 3 points = 15%-19.99%</li> <li>• 2 points = 20%-24.99%</li> <li>• 1 point = 25%-30%</li> <li>• 0 points = more than 30%</li> </ul>
<b>Sub-indicator 6</b>	<b>Bribery in the public sector experienced by citizens (%)</b>
Methodology	<p>Analysis of responses by a representative sample of citizens to a Balkan Barometer survey, or similar, to the question: “In your contact or contacts with the institutions, have you or anyone living in your household paid a bribe in any form in the past 12 months?” in relation to any of the following institutions: police, registry and permit services, utilities, tax revenues, land services or any government agency.</p> <p>Assessors measure the percentage of respondents who answer “yes”.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = less than 2%</li> <li>• 3 points = 2%-3.99%</li> <li>• 2 points = 4%-5.99%</li> <li>• 1 point = 6%-8%</li> <li>• 0 points = more than 8%</li> </ul>

#### Definitions of key terms and official data classifications used (if applicable)

**Public sector integrity:** the *OECD Recommendation of the Council on Public Integrity* defines public integrity as the consistent alignment of, and adherence to, shared ethical values, principles and norms for upholding and prioritising the public interest over private interests in the public sector<sup>55</sup>.

**Public sector integrity policy:** any government policy document that has as a primary objective either to increase public ethics and/or to reduce corruption in the public sector.

**Whistle-blower:** an employee who has reasonable grounds to suspect corruption and who reports in good faith his/her suspicions to the responsible persons or authorities (according to the Council of Europe Civil Law Convention on Corruption).

**Definitions of acts of fraud, deception and corruption offences:** these are taken from the International Classification of Crime for Statistical Purposes of the United Nations Office on Drugs and Crime, Version 1.0, Level 07 Acts involving fraud, deception or corruption.<sup>56</sup>

#### Comparability

<sup>55</sup> OECD Recommendation of the Council on Public Integrity, OECD Publishing, Paris, <http://www.oecd.org/gov/ethics/Recommendation-Public-Integrity.pdf>.

<sup>56</sup> UNODC (2015), *International Classification of Crime for Statistical Purposes*, Version 1.0, Level 07 Acts involving fraud, deception or corruption, p. 27, United Nations Office on Drugs and Crime, Vienna, [https://www.unodc.org/documents/data-and-analysis/statistics/crime/ICCS/ICCS\\_final-2015-March12\\_FINAL.pdf](https://www.unodc.org/documents/data-and-analysis/statistics/crime/ICCS/ICCS_final-2015-March12_FINAL.pdf).

#### **Sub-indicator 5: Perceived level of bribery in the public sector by businesses (%)**

The World Bank's Business Environment and Enterprise Performance Survey provides data from firms on informal payments and corruption, as well as a broad range of other issues about the business environment and performance of firms, including business-government relations.<sup>57</sup>

#### **Sub-indicator 6: Bribery in the public sector experienced by citizens (%)**

The QoG Regional Survey asks respondents the following question: "In the past 12 months, have you or anyone living in your household paid a bribe in any form to: a) education services; b) health or medical services; c) police; d) any other government-run agency?", in EU countries, Serbia, Turkey and Ukraine.<sup>58</sup>

#### Known limits and bias of data

#### **Sub-indicator 4: Use of investigations in practice**

The sub-indicator does not assess the effectiveness of the integrity mechanism, only whether it has been applied in practice at least once within the period. Launching an investigation in a single case does not prove that the relevant mechanism is effective for two reasons: 1) the sample of cases is very limited; and 2) a focus on investigations launched does not enable a comprehensive assessment of the effectiveness of the whole mechanism, as the review is restricted to the initial phase of application.

#### **Sub-indicator 5: Perceived level of bribery in the public sector by businesses (%)**

This sub-indicator purely measures the perceived frequency of bribery at the firm level, not the magnitude of bribery. Some surveys prefer to ask about "informal payments".

#### Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment is ensured by sending the assessment to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature.

Survey data received from the Balkan Barometer survey, or similar, is checked by SIGMA in terms of compliance with the predefined methodology of the survey. SIGMA also triangulates this data by searching for other sources of information on each topic (e.g. studies prepared by other public bodies and institutions independent of the government).

<sup>57</sup> World Bank, *Business Environment and Enterprise Performance Survey*, <http://data.worldbank.org/data-catalog/BEEPS>.

<sup>58</sup> Charron, N. (2013), *From Åland to Ankara: European Quality of Government Index. 2013 Data, Sensitivity Analysis and Final Results*, Working Paper Series 2013:11, Quality of Government Institute, Göteborg, [http://qog.pol.gu.se/digitalAssets/1455/1455551\\_2013\\_11\\_charron.pdf](http://qog.pol.gu.se/digitalAssets/1455/1455551_2013_11_charron.pdf).

4

## Accountability

## ACCOUNTABILITY

**Principle 1: The overall organisation of central government is rational, follows adequate policies and regulations and provides for appropriate internal, political, judicial, social and independent accountability.**

### Indicator 4.1.1: Accountability and organisation of central government

This indicator measures the extent to which the governance model of central government upholds lines of accountability and contributes to increasing the state's capacity, which is defined as the ability of the administrative apparatus of the state to implement policies, deliver services to citizens and support decision makers with policy advice. This includes assessing the legal and institutional framework for overall organisation of central government, as well as its implementation in practice.

Sub-indicator	Maximum points
<b>Policy and legal framework for central government organisation</b>	
1. Clarity and comprehensiveness of official typology of central government bodies	5
2. Adequacy of the policy and regulatory framework to manage central government institutions	5
3. Strength of basic accountability mechanisms between ministries and subordinated bodies	5
4. Managerial accountability mechanisms in the regulatory framework	5
<b>Central government's organisation and accountability mechanisms in practice</b>	
5. Consistency between practice and policy in government reorganisation	4
6. Number of public bodies subordinated to the parliament	4
7. Accountability in reporting between central government bodies and parent ministry	4
8. Effectiveness of basic managerial accountability mechanisms for central government bodies	4
9. Delegation of decision-making authority within ministries	4
Total points	0-6      7-13      14-20      21-27      28-34      35-40
<b>Final indicator value</b>	<b>0      1      2      3      4      5</b>

Full description of each sub-indicator	
Policy and legal framework for central government organisation	
Sub-indicator 1	<b>Clarity and comprehensiveness of official typology of central government bodies</b>
Methodology	<p>Expert review of laws and regulations. Assessment is preceded by a mapping of the institutional landscape of all types of central government bodies. For each type of organisation, assessors verify that the regulatory framework (including primary and secondary legislation) specifies the following:</p> <ul style="list-style-type: none"> <li>• legal status of the organisation (legal personality)</li> <li>• functional criteria for establishment (i.e. nature of functions to be performed)</li> <li>• managing bodies of the organisation and the process of their appointment</li> <li>• subordination/supervision scheme (specifying reporting lines)</li> <li>• degree of autonomy in a) financial management and b) human resource management (HRM)</li> </ul>
Point allocation	<p>Points are awarded for each of the following five criteria (total of 5 points):</p> <ul style="list-style-type: none"> <li>• Legal status is explicitly regulated for all types of central government bodies;</li> <li>• Functional criteria for establishment are explicitly regulated for all types of central government bodies;</li> <li>• Managing bodies are explicitly regulated for all types of central government bodies;</li> <li>• Subordination/supervision schemes are explicitly regulated for all types of central government bodies;</li> <li>• Degree of autonomy in financial management and HRM is explicitly regulated for all types of central government bodies.</li> </ul>
Sub-indicator 2	<b>Adequacy of the policy and regulatory framework to manage central government institutions</b>
Methodology	<p>Expert review of laws and strategies/action plans to verify that:</p> <ul style="list-style-type: none"> <li>• A plan for institutional development of central government is specified in policy document(s) in force during the latest full calendar year, including at least: a) a detailed framework for review of the effectiveness of the current organisational structure of central government; and b) detailed plans for specific changes in the organisational structure of central government, based on a review of the existing structures (e.g. modifying the typology of central government bodies, creating new types of bodies);</li> <li>• The procedures for establishing, merging and abolishing each type of central government body are specified in the legislation;</li> <li>• The procedures for establishing, merging and abolishing each type of central government body require participation of the following: a) the office of the prime minister (OPM); b) the ministry of finance (MoF); and c) the HRM authority (if one exists);</li> <li>• The creation of a new body must be accompanied by ex-ante analysis covering at least: a) an assessment of the need to create the new body; b) an analysis of alternatives to the creation of the new body; and c) the estimated cost and staffing of the new body;</li> </ul>

	<ul style="list-style-type: none"> <li>• A body within central government is assigned responsibility for regular review of the organisation of central government and planning for institutional development of the central government administration.</li> </ul>
Point allocation	<p>For each of the following five criteria, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• Existence of a plan for institutional development of central government;</li> <li>• Existence of procedures for establishing, merging and abolishing central government bodies;</li> <li>• Procedures for establishing, merging and abolishing central government bodies require participation of the OPM, the MoF and the HRM authority;</li> <li>• <i>Ex-ante</i> analysis is mandatory when creating a new central government body;</li> <li>• A central government body is responsible for regularly reviewing the organisation of central government and planning for rationalisation.</li> </ul>
<b>Sub-indicator 3</b>	<b>Strength of basic accountability mechanisms between ministries and subordinated bodies</b>
Methodology	Expert review of laws and government documents, specifying the accountability system for a sample of five central government bodies subordinated to three ministries (the MoF, the ministry of economy and the ministry of interior). Assessors select subordinated bodies with the highest staff numbers, ensuring that there is at least one body subordinated to each ministry.
Point allocation	<p>For each of the following five criteria, 1 point is awarded if the criterion is met by all five government bodies (total of 5 points):</p> <ul style="list-style-type: none"> <li>• Responsibility for monitoring the subordinated body is clearly assigned to the relevant organisational unit of the ministry;</li> <li>• The ministry has the right to appoint and dismiss the head of the subordinated body (or the government makes the decision based on the minister's proposal);</li> <li>• The ministry has the right to request any documents produced and collected by the subordinated body;</li> <li>• The regulations set a requirement for an annual plan and annual activity report to be submitted to the ministry;</li> <li>• A budgetary proposal is required to be submitted to the parent ministry (not directly to the MoF, parliament or similar).</li> </ul>
<b>Sub-indicator 4</b>	<b>Managerial accountability mechanisms in the regulatory framework</b>
Methodology	Expert review of laws and government documents specifying the accountability system for five central government bodies subordinated to the three ministries, selected previously for the assessment of sub-indicator 3.
Point allocation	<p>For each of the following five criteria met by at least four out of five central government bodies, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• Managerial autonomy of heads of subordinated bodies is defined in the regulatory framework;</li> <li>• Heads of subordinated bodies have autonomy to manage financial resources with a budget approved by the parent ministry;</li> <li>• Recruitment and dismissal decisions regarding the staff of the subordinated</li> </ul>

	<p>body can be made by the head of this body independently;</p> <ul style="list-style-type: none"> <li>For bodies subordinated to a ministry, procedures for setting specific objectives (linked with policy priorities) and measurable targets are defined;</li> <li>Procurement procedures and decisions of up to EUR 100 000 can be made and signed by the head of the subordinated body.</li> </ul>
<b>Central government's organisation and accountability mechanisms in practice</b>	
<b>Sub-indicator 5</b>	<b>Consistency between practice and policy in government reorganisation</b>
Methodology	<p>Analysis of the three latest processes for establishing/merging/abolishing central government bodies in order to assess compliance with the following criteria:</p> <ul style="list-style-type: none"> <li>Decisions were made according to the procedure specified in the legislation;</li> <li>Decisions were compatible with the government's policy on institutional development (if one exists);</li> <li>Active participation of the prime minister's office, MoF and HRM authority (if one exists);</li> <li>Creation of the new body was accompanied by ex-ante analysis covering, at a minimum, assessment of the need to create the new body, analysis of alternatives to creation of the new body, and the estimated cost and staffing of the new body.</li> </ul> <p>The analysis covers changes at the central level of government (with territorial branches excluded). It does not include the creation/abolition of ministries, advisory committees, task forces and interministerial groups.</p>
Point allocation	<p>Points are awarded for the number of occurrences in which any of the four criteria has been fulfilled in any of the three cases/reform processes. The maximum possible number of occurrences is 12. If the policy and authority mentioned in criteria 2 and 3 do not exist, the maximum possible number of occurrences is lower and the scales below are therefore adjusted proportionally.</p> <ul style="list-style-type: none"> <li>4 points = 11-12 occurrences</li> <li>3 points = 9-10 occurrences</li> <li>2 points = 7-8 occurrences</li> <li>1 point = 5-6 occurrences</li> <li>0 points = 4 occurrences or fewer</li> </ul>
<b>Sub-indicator 6</b>	<b>Number of public bodies subordinated to the parliament</b>
Methodology	<p>Analysis of the number of public bodies subordinated to parliament (not counting the constitutional bodies).</p> <p>Public bodies are considered to be subordinated to parliament if all of these three criteria are met:</p> <ul style="list-style-type: none"> <li>The parliament appoints and dismisses the head of the body or members of the management board;</li> <li>The parliament approves or adopts the annual plan and approves the annual report of the body;</li> <li>The government has no power to conduct inspection of the relevant body.</li> </ul> <p>Data on the number of agencies reporting to the ministries, the prime minister and the council of ministers (CoM) will also be collected for use in the analytical section of the assessment report.</p>

Point allocation	<ul style="list-style-type: none"> <li>• 4 points = less than 5 bodies</li> <li>• 3 points = 5-8 bodies</li> <li>• 2 points = 9-12 bodies</li> <li>• 1 point = 13-16 bodies</li> <li>• 0 points = more than 16 bodies</li> </ul>
<b>Sub-indicator 7</b>	<b>Accountability in reporting between central government bodies and parent ministry</b>
Methodology	<p>Analysis of the number of central government bodies reporting to a parent ministry that meet the following three criteria in the latest full calendar year:</p> <ul style="list-style-type: none"> <li>• The annual plan is submitted to the parent ministry for approval;</li> <li>• The annual activity report of the subordinated body is submitted to the parent ministry;</li> <li>• The subordinated body's budget has been submitted to and approved by the ministry.</li> </ul> <p>The measure is based on a sample of eight bodies in total. Two bodies are selected from four different ministries: 1) the ministry of interior; 2) the MoF; 3) the ministry of justice; and 4) the ministry of economy. Subordinated bodies with the highest number of staff are selected for each ministry.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = all eight bodies meet the criteria.</li> <li>• 3 points = seven bodies meet the criteria.</li> <li>• 2 points = six bodies meet the criteria.</li> <li>• 1 point = five bodies meet the criteria.</li> <li>• 0 points = four or fewer bodies meet the criteria.</li> </ul>
<b>Sub-indicator 8</b>	<b>Effectiveness of basic managerial accountability mechanisms for central government bodies</b>
Methodology	<p>Expert review of the how often central government bodies reporting to the parent ministry meet each of the three basic criteria of managerial accountability:</p> <ul style="list-style-type: none"> <li>• The annual plan of the subordinated body contains specific objectives and measurable targets approved by the ministry or agreed upon by the ministry and the subordinated body;</li> <li>• Progress towards objectives is monitored by a relevant unit of the ministry, at least annually;</li> <li>• The last annual report contained information on the level of outcomes against predefined objectives and targets, and the ministry provided feedback on this in writing.</li> </ul> <p>The measure is based on the sample of eight bodies in total, previously selected for assessment of sub-indicator 7.</p>
Point allocation	<p>Points are awarded for the number of occurrences where any of the eight bodies fulfils one of the three criteria. The maximum possible number of occurrences is 24.</p> <ul style="list-style-type: none"> <li>• 4 points = 22-24 occurrences</li> <li>• 3 points = 19-21 occurrences</li> <li>• 2 points = 16-18 occurrences</li> </ul>

	<ul style="list-style-type: none"> <li>• 1 point = 13-15 occurrences</li> <li>• 0 points = 12 or fewer occurrences</li> </ul>
<b>Sub-indicator 9</b>	<b>Delegation of decision-making authority within ministries</b>
Methodology	<p>Analysis of five ministries (MoF, ministry of interior, ministry of justice, ministry of economy and ministry of education) to assess the scope of delegation of decision-making authority at two levels: 1) from the political level (minister) to the administrative level (senior civil servants); and 2) from the top administrative level (secretary general/permanent secretary of the ministry) to the lower administrative level (heads of units within the ministry).</p> <p>Delegation is defined as meaning that no higher managerial approval is needed to take the decisions. Delegation from the political to the administrative level is prioritised to promote separation between policy-making and operational activities. Therefore, four criteria relate to delegation from the ministerial level to the administrative level, while three criteria concern delegation within the administrative level.</p> <p>Assessors check for the following seven regular decision-making items in all five ministries:</p> <ul style="list-style-type: none"> <li>• Procurement of low-level purchases (less than EUR 5 000) are signed below the level of minister;</li> <li>• Recruitment decisions and employment contracts of senior advisers and similar positions are signed below the level of minister;</li> <li>• Payments of salaries to the staff of the ministry are signed below the level of minister;</li> <li>• Replies to public information requests are signed below the level of minister;</li> <li>• Annual leave requests are formally approved below the level of permanent secretary or equivalent;</li> <li>• Business trips of staff members are formally approved (signed) below the level of permanent secretary or equivalent;</li> <li>• Approval of training for staff members is authorised below the level of permanent secretary or equivalent.</li> </ul> <p>The administration is asked to provide documentary evidence for each of the seven decisions. SIGMA verifies the information provided during on-site observations and interviews with relevant staff members of the sample ministries.</p>
Point allocation	<p>Points are awarded for the number of occurrences where any of the five ministries meets any of the seven criteria. The maximum possible number of occurrences is 35.</p> <ul style="list-style-type: none"> <li>• 4 points = 30-35 occurrences</li> <li>• 3 points = 25-29 occurrences</li> <li>• 2 points = 20-24 occurrences</li> <li>• 1 point = 15-19 occurrences</li> <li>• 0 points = 14 occurrences or fewer</li> </ul>

Definitions of key terms and official data classifications used (if applicable)

**Central government body:** ministries and public bodies subordinated to ministries, prime minister or CoM (central government) and operating at national level. Subordination means that the parent

ministry approves the draft budgets, plans and any performance reports of the bodies.

**Body subordinated to the ministry:** executive body for which the designated ministry (parent ministry) performs all or a vast majority of the accountability measures (e.g. appointing and dismissing the heads of such bodies, setting or approving their budgets, setting or approving annual plans, accepting annual reports).

**Head of subordinated body:** individual or collegial managing organ of a body subordinated to the ministry (e.g. director, management board).

#### Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment and the quantitative data (percentage of public bodies subordinated to parliament) is ensured by sending the assessment to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and the academic literature.

### Principle 2: The right to access public information is enacted in legislation and consistently applied in practice.

#### Indicator 4.2.1: Accessibility of public information

This indicator measures the extent to which the legal and institutional framework regarding access to public information is established, promoting timely responses to public information requests free of charge or at a reasonable cost. It also covers the practical application of these legal requirements, with particular focus on proactive disclosure of public information and perceptions of availability of public information.

Sub-indicators	Maximum points
<b>Legal and institutional framework for access to public information</b>	
1. Adequacy of legislation on access to public information	10
2. Coverage of basic functions for implementing access to public information	5
<b>Citizens' level of access to public information</b>	
3. Proactivity in disclosure of information by state administration bodies on websites (%)	5
4. Proactivity in disclosure of datasets by the central government (%)	5
5. Perceived accessibility of public information by the population (%)	2.5
6. Perceived accessibility of public information by businesses (%)	2.5
Total points	0-5      6-10      11-15      16-20      21-25      26-30
<b>Final indicator value</b>	<b>0      1      2      3      4      5</b>

Full description of each sub-indicator	
Legal and institutional framework for access to public information	
Sub-indicator 1	Adequacy of legislation on access to public information
Methodology	Expert review of laws, supported by interviews with academics, NGOs, judges, etc., providing insight on interpretation of statutory provisions.
Point allocation	<p>For each of the following ten criteria for the legislative framework (including the constitution), 1 point is awarded (total of 10 points):</p> <ul style="list-style-type: none"> <li>• All public institutions and private persons who carry out public duties are considered holders of public information;</li> <li>• Public information is defined broadly;</li> <li>• Possible restrictions are narrow and exhaustively listed by the law on access to information;</li> <li>• Everyone, including non-citizens and legal persons, has the right to access information in all the forms available;</li> <li>• Information holders are required to provide information in the requested format;</li> <li>• Requesters are not required to provide justification for their requests;</li> <li>• There are statutory deadlines for processing requests for information;</li> <li>• The right to appeal to an independent body and the court against refusal or inactivity of an administrative body is ensured;</li> <li>• Information is provided free of charge, or fees for access to information are specified by the primary or secondary legislation, at a level that does not place an unreasonable burden on the requesters;</li> <li>• Information to be disclosed proactively is defined.</li> </ul>
Sub-indicator 2	Coverage of basic functions for implementing access to public information
Methodology	<p>Interviews, expert review of laws and relevant documents.</p> <p>A supervisory body is a state inspectorate or a supervisory body specialised in public information issues.</p> <p>The following criteria must be met for a supervisory body to be considered as independent:</p> <ul style="list-style-type: none"> <li>• The management board or the head of the body is appointed for a fixed term and can be dismissed during this term only in strictly defined cases;</li> <li>• The budget of the body is presented directly to the parliament;</li> <li>• Decisions of the body cannot be quashed by any executive body.</li> </ul>
Point allocation	<p>For each of the following five criteria, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• Statistical data on requests for access to information and decisions is aggregated and published by a relevant public body;</li> <li>• Access to public information and compliance of public institutions in this matter is actively promoted by the relevant public body (or bodies);</li> <li>• There is an independent supervisory body responsible for the area of access to public information;</li> <li>• Inspections of compliance are conducted by the relevant supervisory body;</li> </ul>

	<ul style="list-style-type: none"> <li>• Sanctions for non-compliance are imposed by the relevant supervisory body.</li> </ul>
Citizens' level of access to public information	
<b>Sub-indicator 3</b>	<b>Pro-activity in disclosure of information by state administration bodies on websites (%)</b>
Methodology	<p>Assessment of websites of state administration bodies to determine the level of disclosure of the following information:</p> <ul style="list-style-type: none"> <li>• organisational structure (organigram) of the institution;</li> <li>• names and contact details of heads of organisational units;</li> <li>• contact details with postal address and e-mail;</li> <li>• tasks and competences of the institution;</li> <li>• annual budget for the current calendar year;</li> <li>• annual work plan of the institution for the current calendar year;</li> <li>• annual report for the latest full calendar year, or the year prior to this.</li> </ul> <p>The standard is met if the information is up to date, available free of charge in all official languages of the country, displayed in a user-friendly manner (at a minimum accessible in no more than three clicks from the main web page of the institution) and published in open format (HTML, PDF or Open Document Format [ODF]).</p> <p>Websites of nine organisations are reviewed, covering five ministries (MoF, ministry of economy, ministry of education, ministry of justice, ministry of interior), the three largest administrative bodies subordinated to the ministries, and the State Audit Institution (SAI).</p> <p>The level of disclosure is the number of actual occurrences of compliance for all websites against the criteria, divided by 63 (total number of possible occurrences), expressed as a percentage.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 5 points = 100%</li> <li>• 4 points = 90%-99.99%</li> <li>• 3 points = 70%-89.99%</li> <li>• 2 points = 50%-69.99%</li> <li>• 1 point = 30%-49.99%</li> <li>• 0 points = below 30%</li> </ul>
<b>Sub-indicator 4</b>	<b>Proactivity in disclosure of datasets by the central government (%)</b>
Methodology	<p>Assessment of the number of datasets from the list below that are disclosed online, expressed as a percentage of the total:</p> <ul style="list-style-type: none"> <li>• consolidated versions of all primary laws;</li> <li>• the state budget for the current calendar year (if already adopted) and the latest full calendar year;</li> <li>• the results of the last national elections published, aggregated on one website (i.e. the number of votes cast for all candidates in every constituency and appointed representatives);</li> <li>• national statistics on GDP and unemployment for the third quarter of the latest full calendar year;</li> <li>• the government's annual (or multi-annual) work plan for the current calendar year;</li> <li>• the government's annual report for the latest full calendar year, or the year</li> </ul>

	<p>prior to this;</p> <ul style="list-style-type: none"> <li>• legislative proposals of the government as sent to parliament;</li> <li>• public tenders announced by central government, aggregated on one website;</li> <li>• results of all public tenders awarded by central government, aggregated on one website;</li> <li>• company registry;</li> <li>• land registry;</li> <li>• salaries of individual senior civil servants (director generals and secretary generals) in all ministries, available on the ministries' websites or the government portal.</li> </ul> <p>The standard is met if the information is available free of charge in all official languages of the country, displayed in a user-friendly manner and published in open format (HTML, PDF or ODF).</p>
Point allocation	<ul style="list-style-type: none"> <li>• 5 points = 90%-100%</li> <li>• 4 points = 80%-89.99%</li> <li>• 3 points = 70%-79.99%</li> <li>• 2 points = 60%-69.99%</li> <li>• 1 point = 50%-59.99%</li> <li>• 0 points = below 50%</li> </ul>
<b>Sub-indicator 5</b>	<b>Perceived accessibility of public information by citizens (%)</b>
Methodology	<p>Analysis of responses by a representative sample of citizens to a Balkan Barometer survey, or similar. The respondents are asked if they agree with the following statements:</p> <ul style="list-style-type: none"> <li>• Requests for information held by a government agency are granted in a timely manner;</li> <li>• The information provided is pertinent and complete;</li> <li>• Requests for information are granted at a reasonable cost.</li> </ul> <p>Assessors measure the percentage of respondents who have been in contact with central government services in the last year and answer "totally agree" or "tend to agree" and then calculate the average of the responses for the three statements, to assess the timeliness, quality and cost of obtaining information from a citizen's perspective.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 2.5 points = more than 70%</li> <li>• 2 points = 60%-70%</li> <li>• 1.5 points = 50%-59.99%</li> <li>• 1 point = 40%-49.99%</li> <li>• 0.5 points = 30%-39.99%</li> <li>• 0 points = below 30 %</li> </ul>
<b>Sub-indicator 6</b>	<b>Perceived accessibility of public information by businesses (%)</b>
Methodology	<p>Analysis of responses by a representative sample of businesses to a Balkan Barometer survey, or similar. The respondents are asked if they agree with the following statements:</p> <ul style="list-style-type: none"> <li>• Requests for information held by a government agency are granted in a</li> </ul>

	<p>timely manner;</p> <ul style="list-style-type: none"> <li>• The information provided is pertinent and complete;</li> <li>• Requests for information are granted at a reasonable cost.</li> </ul> <p>Assessors measure the percentage of respondents who answer “totally agree” or “tend to agree” and then calculate the average of the responses for the three statements to assess the timeliness, quality and cost of obtaining information from the perspective of businesses.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 2.5 points = more than 65%</li> <li>• 2 points = 56%-65%</li> <li>• 1.5 points = 46%-55.99%</li> <li>• 1 point = 36%-45.99%</li> <li>• 0.5 points = 25%-35.99%</li> <li>• 0 points = below 25%</li> </ul>

#### Definitions of key terms and official data classifications used (if applicable)

**Independent supervisory body:** a supervisory body is usually a state inspectorate or other public body specialised in public information issues overseeing the government activities in this area. The following criteria are crucial to assess the level of independence of supervisory bodies: 1) the management board of the body is appointed for a fixed term and can be dismissed during this term only in strictly defined cases; 2) the budget of the body is fixed by the parliament; and 3) decisions of the body cannot be quashed by any executive body.

#### Comparability

##### **Sub-indicator 1: Adequacy of legislation on access to public information**

The Global Right to Information (RTI) Rating<sup>59</sup>, run by the Canadian Centre for Law and Democracy, comparatively assesses the strength of legal frameworks for the right to information from around the world. Currently rating the right to information in 111 countries, the RTI Rating uses 61 indicators to measure the legal framework. It does not measure quality of implementation.

##### **Sub-indicator 4: Proactivity in disclosure of datasets by the central government (%)**

The Global Open Data Index<sup>60</sup> reviews countries' performance in disclosing specific datasets (e.g. national statistics, budgets, legislation, registers and information on government spending). Some categories of data derived from this methodology are included in SIGMA's list of criteria.

##### **Sub-indicator 5: Perceived accessibility of public information by the population (%)**

The World Justice Project Rule of Law Index<sup>61</sup> includes a sub-index on the right to information that measures, among other things: 1) whether requests for information held by a government agency are granted in a timely manner; 2) whether the information provided is pertinent and complete; and 3) whether requests for information are granted at a reasonable cost and without the need to pay a bribe. The Rule of Law Index is based on a survey among a randomly selected sample of citizens, supplemented by a survey among national experts.

#### Known limits and bias of data

<sup>59</sup> Centre for Law and Democracy, *Global Right to Information Rating*, <http://www.rti-rating.org/>.

<sup>60</sup> Open Knowledge International, *Global Open Data Index*, <http://index.okfn.org/dataset/>.

<sup>61</sup> World Justice Project, *WJP Rule of Law Index 2016*, <http://worldjusticeproject.org/rule-of-law-index>.

**Sub-indicator 1: Adequacy of legislation on access to public information**

SIGMA's assessment of legislation focuses on laws on access to public information, but significant restrictions on access to information may be created by special (sectoral) regulations beyond the scope of this review.

**Data validation and quality assurance by SIGMA**

The accuracy of the qualitative assessment is ensured by sending the assessment to the state administration for fact-checking. If the national authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature.

Survey data received from the Balkan Barometer survey, or similar, is checked by SIGMA in terms of compliance with the predefined methodology of the survey. SIGMA also triangulates this data by searching for other sources of information on each topic (e.g. studies prepared by other public bodies and institutions independent of the government).

**Principle 3: Functioning mechanisms are in place to protect both the rights of the individual to good administration and the public interest.**

**Indicator 4.3.1: Effectiveness of scrutiny of public authorities by independent oversight institutions**

This indicator measures the extent to which there is a functioning system of oversight institutions providing independent and effective supervision over all state administration bodies. The strength of the legislative framework is assessed, as well as the effectiveness of oversight institutions in changing practices in the state administration and building trust among the population.

<b>Sub-indicators</b>	<b>Maximum points</b>
<b>Legal and institutional framework for oversight institutions</b>	
1. Legislative safeguards for the independence and adequate mandate of the ombudsman institution	10
2. Legislative safeguards for the independence and adequate mandate of the SAI	10
3. Legislative safeguards for the independence of courts and judges	10
<b>Effectiveness of and public trust in oversight institutions</b>	
4. Implementation of ombudsman recommendations (%)	8
5. Implementation of SAI recommendations (%)	8
6. Perceived independence of oversight institutions by the population (%)	5
7. Trust in oversight institutions by the population (%)	5
8. Perceived ability of oversight institutions and citizens to effectively hold the government accountable (%)	5

Total points	0-10	11-20	21-30	31-40	41-50	51-61
Final indicator value	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

### **Full description of each sub-indicator**

#### **Legal and institutional framework for oversight institutions**

<b>Sub-indicator 1</b>	<b>Legislative safeguards for the independence and adequate mandate of the ombudsman institution</b>
Methodology	<p>Expert review of laws to determine if the legislative framework for the ombudsman institution meets international standards. Principles and requirements regarding the status and powers of the ombudsman institution have been derived from the following documents:</p> <ul style="list-style-type: none"> <li>• principles relating to the Status of National Institutions (The Paris Principles), adopted by the UN General Assembly resolution No. 48/134 of 20 December 1993;</li> <li>• by-laws of International Ombudsman Institute adopted on 13 November 2013;</li> <li>• resolution No. 1959 (2013) of the Parliamentary Assembly of the Council of Europe on strengthening the institution of Ombudsman in Europe.</li> </ul> <p>Legal analysis is supplemented with a review of parliamentary documents with regard to co-operation between the parliament and the ombudsman institution. The parliament is considered to support the ombudsman's activities if, as a minimum, it has called on relevant government bodies to implement the ombudsman's recommendations with more than one written statement in the latest full calendar year and the year prior to that, and it has allowed the ombudsman to present its annual report in plenary in the latest full calendar year or the year prior to that.</p>
Point allocation	<p>For each of the following ten criteria, 1 point is awarded (total of 10 points):</p> <ul style="list-style-type: none"> <li>• The independence and impartiality of the ombudsman institution is enshrined in law;</li> <li>• The ombudsman is appointed by the parliament and the parliament provides support to ombudsman's activities;</li> <li>• Any natural or legal person (including non-citizens) may seek protection of his/her rights from the ombudsman institution;</li> <li>• All state administration bodies and private bodies performing public functions are subject to the scrutiny of the ombudsman;</li> <li>• The ombudsman institution manages its budget, staff and premises independently of the executive;</li> <li>• The mandate of the ombudsman institution includes both protection and promotion of human rights;</li> <li>• The ombudsman institution may initiate investigation both <i>ex officio</i> and upon request of the affected person;</li> <li>• The ombudsman institution enjoys effective investigative powers, including access to documents collected by public authorities and unrestricted access to all detention facilities;</li> <li>• The ombudsman institution may challenge the constitutionality of laws before the relevant constitutional court;</li> </ul>

	<ul style="list-style-type: none"> <li>• Public authorities are required to respond to the ombudsman's requests and recommendations within statutory deadlines.</li> </ul>
<b>Sub-indicator 2</b>	<b>Legislative safeguards for the independence and adequate mandate of the SAI</b>
Methodology	Expert review of laws to assess if the legislative framework for the SAI meets international standards. Principles and requirements regarding the status of SAIs have been established in the Mexico Declaration on SAI Independence.
Point allocation	<p>For each of the following ten criteria for the legislative framework, 1 point is awarded (total of 10 points):</p> <ul style="list-style-type: none"> <li>• The SAI is recognised by the constitution;</li> <li>• The appointment and dismissal of the SAI's managing bodies is independent of the executive;</li> <li>• The mandate of the SAI includes auditing the use of public resources or assets by any body, regardless of its legal nature;</li> <li>• The SAI has unrestricted access to information, documents and premises in the course of auditing activities;</li> <li>• The SAI is free from direction or interference from the legislature or the executive in the organisation and management of its office;</li> <li>• The SAI manages its own budget and resources without interference from the executive;</li> <li>• The SAI is free to publish and disseminate its reports;</li> <li>• The SAI submits its reports to the parliament for review and follow-up on specific recommendations for corrective action;</li> <li>• The SAI is free to make recommendations to the audited bodies;</li> <li>• The annual report of the SAI is submitted to the parliament and made available to the public.</li> </ul>
<b>Sub-indicator 3</b>	<b>Legislative safeguards for the independence of courts and judges</b>
Methodology	Expert review of laws to assess whether the legislative framework for the judiciary meets international standards. Principles and requirements regarding the status of the judiciary have been derived from the following documents: <ul style="list-style-type: none"> <li>• Montreal Universal Declaration on the Independence of Justice (First World Conference on the Independence of Justice, 1983);</li> <li>• Basic Principles on the Independence of the Judiciary (adopted by the seventh United Nations Congress on the Prevention of Crime and the Treatment of Offenders held in Milan from 26 August to 6 September 1985 and endorsed by General Assembly resolutions Nos. 40/32 of 29 November 1985 and 40/146 of 13 December 1985);</li> <li>• Recommendation (94) 12 of the Committee of Ministers to Member States on the Independence, Efficiency and Role of Judges (adopted by the Council of Europe's Committee of Ministers on 13 October 1994).</li> </ul>
Point allocation	<p>Points are awarded for each of the following nine criteria, with a possible 2 points for the first criterion and one point for each criterion thereafter (total of 10 points):</p> <ul style="list-style-type: none"> <li>• The independence of courts and judges is enshrined in the constitution;</li> <li>• Individual judges are free to decide on matters before them impartially;</li> <li>• Neither the government nor any administrative body may take any decision</li> </ul>

	<p>that invalidates judicial decisions retroactively (judicial decisions are final);</p> <ul style="list-style-type: none"> <li>• The authority making decisions on the selection and career of judges is independent of the executive;</li> <li>• The promotion of judges is based on transparent criteria;</li> <li>• Judges have guaranteed tenure until a mandatory retirement age or the expiry of their term of office;</li> <li>• The assignment of cases to judges within the court is an internal matter of judicial administration, not influenced by the executive;</li> <li>• Decisions in disciplinary, suspension or removal proceedings are made by an independent body predominantly composed of members of the judiciary;</li> <li>• Judges enjoy immunity from suit or harassment for acts and omissions in their official capacity.</li> </ul>
<b>Effectiveness of and public trust in oversight institutions</b>	
<b>Sub-indicator 4</b>	<b>Implementation of ombudsman recommendations (%)</b>
Methodology	<p>The data is taken from the ombudsman report for the current year, or latest full calendar year, whichever is most recent.</p> <p>The rate reflects the number of ombudsman recommendations fully implemented in a period, divided by the total number of recommendations issued, expressed as a percentage.</p> <p>In order to ensure credibility of data received from the ombudsman institution, a minimum sample of five recommendations declared as fully implemented will be analysed, from the list provided by the ombudsman institution. If no list of fully implemented recommendations is provided, then no points are awarded. SIGMA will verify whether recommendations are fully implemented based on interviews and review of secondary sources, to identify those that may have faced challenges in implementation. If discrepancies are found in the official data, no more than 4 points can be awarded.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 8 points = more than 75%</li> <li>• 6 points = 60%-75%</li> <li>• 4 points = 45%-59.99%</li> <li>• 2 points = 30%-44.99%</li> <li>• 0 points = below 30% or no data exists</li> </ul>
<b>Sub-indicator 5</b>	<b>Implementation of SAI recommendations (%)</b>
Methodology	<p>The data is taken from the most recent SAI report. The percentage reported is an average of all types of audits conducted by the SAI, based on the number of recommendations made by the SAI in the year prior to the latest full calendar year that are implemented by the end of the latest full calendar year. If the SAI does not systematically collect and publish information on the follow-up of its recommendations, 0 points are awarded.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 8 points = more than 80%</li> <li>• 6 points = 65%-80%</li> <li>• 4 points = 50%-64.99%</li> <li>• 2 points = 30%-49.99%</li> <li>• 0 points = below 30%</li> </ul>

<b>Sub-indicator 6</b>	<b>Perceived independence of oversight institutions by the population (%)</b>
Methodology	<p>Analysis of responses by a representative sample of citizens in a Balkan Barometer survey, or similar, to the following question: "Do you agree that the following institutions are independent of political influence?"</p> <p>Assessors determine the average percentage of respondents who answered "totally agree" or "tend to agree" for the ombudsperson, the SAI and the judicial system.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 5 points = more than 65%</li> <li>• 4 points = 55%-65%</li> <li>• 3 points = 45%-54.99%</li> <li>• 2 points = 35%-44.99%</li> <li>• 1 point = 25%-34.99%</li> <li>• 0 points = below 25%</li> </ul>
<b>Sub-indicator 7</b>	<b>Trust in oversight institutions by the population (%)</b>
Methodology	<p>Analysis of responses by a representative sample of citizens in a Balkan Barometer survey, or similar, to the following question: "How much trust do you have in certain institutions?"</p> <p>Assessors determine the average percentage of respondents who answered "totally trust" and "tend to trust" for the ombudsperson, the SAI, parliament the judicial system.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 5 points = more than 65%</li> <li>• 4 points = 55%-64.99%</li> <li>• 3 points = 45%-54.99%</li> <li>• 2 points = 35%-44.99%</li> <li>• 1 point = 25%-34.99%</li> <li>• 0 points = below 25%</li> </ul>
<b>Sub-indicator 8</b>	<b>Perceived ability of oversight institutions and citizens to effectively hold the government accountable (%)</b>
Methodology	<p>Analysis of responses by a representative sample of citizens to the following question in a Balkan Barometer survey, or similar: "Do you agree that the following institutions can effectively scrutinize the government and make it accountable to citizens?"</p> <p>Assessors determine the average percentage of respondents who answer "totally agree" and "tend to agree" for the ombudsperson, the SAI, parliament, and citizens and civil society organisations.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 5 points = more than 65%</li> <li>• 4 points = 55%-65%</li> <li>• 3 points = 45%-54.99%</li> <li>• 2 points = 35%-44.99%</li> <li>• 1 point = 25%-34.99%</li> <li>• 0 points = below 25%</li> </ul>

Definitions of key terms and official data classifications used (if applicable)

**Oversight institution:** public body performing external oversight over the executive with a wide degree of autonomy. For the purposes of this assessment, four types of oversight institutions are taken into consideration: 1) parliament; 2) courts; 3) ombudsman institution of general mandate (excluding, for example, specialised ombudsmen for ethnic minorities, healthcare issues or education); and 4) SAI.

Comparability

**Sub-indicator 1: Legislative safeguards for the independence and adequate mandate of the ombudsman institution**

The status and powers of the ombudsman institution are subject to an accreditation system managed by the Sub-Committee on Accreditation of the International Co-ordinating Committee for National Human Rights Institutions (ICC). As of August 2016, 117 national human rights institutions were accredited by the ICC. Data from the accreditation process may prove valuable to verify the results of SIGMA's legal analysis and may also shed light on significant obstacles and problems in the functioning of ombudsman institutions.

**Sub-indicator 6: Perceived independence of oversight institutions by the population (%)**

**Sub-indicator 8: Perceived ability of oversight institutions and citizens to effectively hold the government accountable (%)**

These sub-indicators pose similar survey questions to those in the World Justice Project Rule of Law Index<sup>62</sup>, which measures constraints on government powers. The Rule of Law Index is based on a survey among a randomly selected sample of citizens, supplemented by a survey among national experts.

Known limits and bias of data

**Sub-indicator 6: Perceived independence of oversight institutions by the population (%)**

**Sub-indicator 7: Trust in oversight institutions by the population (%)**

**Sub-indicator 8: Perceived ability of oversight institutions and citizens to effectively hold the government accountable (%)**

Citizens' perceptions regarding oversight institutions are influenced by many factors outside their control. As the majority of citizens have never approached oversight institutions, their views on the performance of these institutions are often influenced by third parties, such as the media.

<sup>62</sup> World Justice Project (2016), *WJP Rule of Law Index 2016*, Washington, DC, <https://worldjusticeproject.org/our-work/wjp-rule-of-law-index/wjp-rule-of-law-index-2016>.

### Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment is ensured by sending the assessment to the state administration for fact-checking. If the national authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature.

Survey data received from the Balkan Barometer survey, or similar, is checked by SIGMA in terms of compliance with the predefined methodology of the survey. SIGMA also triangulates this data by searching for other sources of information on each topic (e.g. studies prepared by other public bodies and institutions independent of the government).

## **Principle 4: Fair treatment in administrative disputes is guaranteed by internal administrative appeals and judicial reviews.**

### **Indicator 4.4.1: Fairness in handling of administrative judicial disputes**

This indicator measures the extent to which the legal framework and the organisation of courts support fair treatment in administrative judicial disputes and the administrative judiciary is characterised by efficiency, quality (including accessibility) and independence. Outcomes in terms of case flow and public perceptions of independence are also measured.

Sub-indicators	Maximum points
<b>Legal framework and organisation of judiciary</b>	
1. Adequacy of the legislative framework for administrative justice	6
2. Accessibility of administrative justice	4
3. Effectiveness of remedies against excessive length of proceedings in administrative cases	2
4. Use of an electronic case-management system	1
5. Public availability of court rulings	2
6. Organisation of judges handling administrative justice cases	5
<b>Performance of the administrative justice system</b>	
7. Perceived independence of judicial system by the population (%)	5
8. Calculated disposition time of first-instance administrative cases	5
9. Clearance rate in first-instance administrative courts (%)	5
10. Cases returned for retrial by a higher court (%)	5
Total points	0-6      7-13      14-20      21-27      28-34      35-40
<b>Final indicator value</b>	<b>0      1      2      3      4      5</b>

Full description of each sub-indicator	
Legal framework and organisation of judiciary	
Sub-indicator 1	Adequacy of the legislative framework for administrative justice
Methodology	<p>Expert review of laws.</p> <p>Legal powers necessary to redress an unlawful act or action of the administration is considered to include, as a minimum, the ability to quash the administrative act in part or in full, and order that an administrative act be adopted or an administrative action be taken within the deadline specified by the court.</p>
Point allocation	<p>Points are awarded for each of the following five criteria (total of 6 points):</p> <ul style="list-style-type: none"> <li>• Individuals have the right to challenge the lawfulness of administrative acts and actions (including inaction and delay) in court in order to protect their rights (2 points);</li> <li>• The general time limit for challenging an administrative act in court is at least three weeks from delivering the act to the person (1 point);</li> <li>• The court has the legal powers necessary to redress an unlawful act or action of the administration (1 point);</li> <li>• Judgements of the first-instance administrative court can be challenged in higher court (1 point);</li> <li>• Safeguards are established in the legislation to ensure that court rulings are executed effectively and without delays, including sanctions for failure to comply (1 point).</li> </ul>
Sub-indicator 2	Accessibility of administrative justice
Methodology	<p>Expert review of laws.</p> <p>To assess whether fees are not a barrier to access to justice, the level of fees are analysed in two types of cases:</p> <ul style="list-style-type: none"> <li>• The fee for a complaint against refusal of access to public information must not exceed 5% of the average salary in the country;</li> <li>• The fee for a complaint against results of a public tender with an estimated value EUR 25 000 must not exceed EUR 500.</li> </ul>
Point allocation	<p>For each of the following four criteria, 1 point is awarded (total of 4 points):</p> <ul style="list-style-type: none"> <li>• All persons have the right to apply for necessary legal aid (assistance for legal representation) in court proceedings for administrative cases;</li> <li>• Legislation provides for exemption from court fees in administrative cases, based on the material situation of the applicant;</li> <li>• The statutory level of fees does not create a barrier to access to justice;</li> <li>• If the court decides in favour of the applicant, the court costs (court fee and costs of legal representation) of the applicant are covered by the state.</li> </ul>
Sub-indicator 3	Effectiveness of remedies against excessive length of proceedings in administrative cases
Methodology	<p>Expert review of laws and case law, supplemented with interviews with judges, court presidents and the ombudsman.</p> <p>Court decisions on complaints against excessively lengthy proceedings would be</p>

	considered as evidence of effective implementation of procedures. If complaints are filed but there are no related court decisions, it is evidence that a procedure exists but is not effectively implemented.
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = a procedure exists and there is evidence of its effective implementation.</li> <li>• 1 point = a procedure exists but there is no evidence it has been implemented.</li> <li>• 0 points = there is no procedure for ensuring effective remedies for excessive length of judicial proceedings in administrative cases.</li> </ul>
<b>Sub-indicator 4</b>	<b>Use of an electronic case-management system</b>
Methodology	<p>Interviews and on-site verification of system functionalities with three judges (from at least two courts of first and second instance) on the use of an electronic case-management system to identify whether the following criteria are met:</p> <ul style="list-style-type: none"> <li>• The system contains all administrative cases from the court of first instance;</li> <li>• It includes functionalities for searching cases;</li> <li>• It provides data for analysing judges' workload.</li> </ul>
Point allocation	<ul style="list-style-type: none"> <li>• 1 point = the system exists and fulfils all three criteria.</li> <li>• 0 points = the system does not exist or does not fulfil all criteria.</li> </ul>
<b>Sub-indicator 5</b>	<b>Public availability of court rulings</b>
Methodology	Expert review of laws and the website of the highest administrative court (or any alternative web-based tool for publishing case law in administrative cases).
Point allocation	<p>For each of the two criteria listed below, 1 point will be awarded (total of 2 points):</p> <ul style="list-style-type: none"> <li>• Court rulings of all administrative courts are available to the public upon request or online;</li> <li>• Court rulings of the highest-instance administrative courts are available online.</li> </ul>
<b>Sub-indicator 6</b>	<b>Organisation of judges handling administrative justice cases</b>
Methodology	<p>Expert review of regulations (regulating organisation of courts or, in cases where no specialised administrative courts exist, the internal division of work of judges and the establishment of specialised chambers in courts of general jurisdiction) to identify the existence and the number of judges who deal exclusively with administrative cases in all court instances.</p> <p>Expert review of regulations prescribing the number of positions for legal assistants in all courts, and all court instances dealing with administrative cases, supplemented with statistical data on the number of assistants employed. An adequate number of legal assistants is considered, at a minimum, a ratio of one legal assistant for every two judges in the country.</p> <p>Expert review of the training programme(s) to identify special training for administrative judges, supplemented with statistics on the number of administrative judges who have participated in the special training. Training</p>

	<p>programmes must be run in the current or latest full calendar year and attended by judges dealing with administrative court cases.</p> <p>Expert review of reports on the performance of administrative courts. To meet the criteria for systematic analysis of judges' workload, the reports must include the following data:</p> <ul style="list-style-type: none"> <li>• the number of judges per court;</li> <li>• the number of cases annually received/resolved per court and per judge in each court;</li> <li>• the number of unresolved cases at the end of a period per court;</li> <li>• the number of cases pending for more than three years.</li> </ul> <p>Data on the number of administrative cases received and resolved annually per judge (the country average) are included for substantiation, if these reports include such information.</p>
Point allocation	<p>For each of the following five criteria, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• Administrative cases are handled by administrative courts or judges specialised in administrative cases in all court instances;</li> <li>• Judges dealing with administrative cases have an adequate number of legal assistants supporting them in their work;</li> <li>• Specialised training programme(s) for judges dealing with administrative cases are conducted;</li> <li>• Administrative judges attended the specialised training sessions;</li> <li>• The workload of judges is systematically analysed.</li> </ul>

#### Performance of the administrative justice system

<b>Sub-indicator 7</b>	<b>Perceived independence of judicial system by the population (%)</b>
Methodology	<p>Analysis of responses by a representative sample of citizens to the following question on a Balkan Barometer survey, or similar: "Do you agree that the following institutions are independent of political influence?"</p> <p>Assessors determine the percentage of respondents that answered "totally agree" and "tend to agree" for the judicial system.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 5 points = more than 60%</li> <li>• 4 points = 50%-60%</li> <li>• 3 points = 40%-49.99%</li> <li>• 2 points = 30%-39.99%</li> <li>• 1 point = 20%-29.99%</li> <li>• 0 points = below 20%</li> </ul>
<b>Sub-indicator 8</b>	<b>Calculated disposition time of first-instance administrative cases</b>
Methodology	<p>Number of unresolved administrative cases at the end of the latest full calendar year divided by number of resolved administrative cases in the same period and multiplied by 365.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 5 points = 150 days or fewer</li> <li>• 4 points = 151-200 days</li> <li>• 3 points = 201-350 days</li> <li>• 2 points = 351-500 days</li> </ul>

	<ul style="list-style-type: none"> <li>• 1 point = 501-730 days</li> <li>• 0 points = 731 days or more</li> </ul>
<b>Sub-indicator 9</b>	<b>Clearance rate in first-instance administrative courts (%)</b>
Methodology	Resolved cases in the latest full calendar year divided by incoming cases in the same period, expressed as a percentage.
Point allocation	<ul style="list-style-type: none"> <li>• 5 points = more than 99%</li> <li>• 4 points = 95%-99%</li> <li>• 3 points = 80%-94.99%</li> <li>• 2 points = 70%-79.99%</li> <li>• 1 point = 60%-69.99%</li> <li>• 0 points = below 60%</li> </ul>
<b>Sub-indicator 10</b>	<b>Cases returned for retrial by the higher court (%)</b>
Methodology	This indicator takes into account only administrative court cases for the latest full calendar year. It is calculated by dividing the number of cases changed or returned for verification (annulled) in the second-instance court by the total number of resolved cases in the second-instance court, expressed as a percentage.
Point allocation	<ul style="list-style-type: none"> <li>• 5 points = below 15%</li> <li>• 4 points = 15%-24.99%</li> <li>• 3 points = 25%-34.99%</li> <li>• 2 points = 35%-44.99%</li> <li>• 1 point = 45%-55%</li> <li>• 0 points = more than 55%</li> </ul>

#### Definitions of key terms and official data classifications used (if applicable)

**Administrative case:** dispute involving the exercise of public power and any matter that is classified as such, according to the country's legal regime.

**Administrative court:** judicial body (i.e. separate from executive and legislative bodies) that deals with administrative cases. It can be established separately from courts of general and other jurisdictions, but that is not a requirement.

**Electronic case-management system:** IT solution that supports and automates the court case-management process, including the following minimum functionalities: 1) registration of documents; and 2) recording of documents, events and results<sup>63</sup>.

**Judge specialised in administrative cases:** a judge who deals exclusively with administrative cases (i.e. a judge who does not deal with civil and criminal cases at the same time).

**Calculated disposition time:** measure of the time necessary for pending cases to be resolved in court in light of the current pace of work, obtained by dividing the number of pending cases at the end of a period by the number of resolved cases in the same period and multiplying the result by 365 (the number of days in a year).

<sup>63</sup> Rooze, E. (2010), "Differentiated Use of Electronic Case Management Systems", *International Journal for Court Administration*, November.

**Clearance rate:** measure of the rate of resolution, obtained by dividing the number of resolved cases by the number of incoming cases and multiplying it by 100 to express it as a percentage.

## Comparability

### **Sub-indicator 7: Perceived independence of judicial system by the population (%)**

The Eurobarometer survey measures the “Perceived independence of courts and judges among the general public” in all EU member countries<sup>64</sup>. This question was posed in a previous year in the Balkan Barometer survey, or similar, in a slightly different form.

### **Sub-indicator 8: Calculated disposition time of first-instance administrative cases**

### **Sub-indicator 9: Clearance rate in first-instance administrative courts (%)**

Data on calculated disposition time and clearance rate in administrative cases of EU member countries is available in the EU Justice Scoreboard<sup>65</sup>. Data on the Council of Europe member countries is available in the Evaluation of European Judicial Systems of the European Commission for the Efficiency of Justice<sup>66</sup>.

## Known limits and bias of data

### **Sub-indicator 7: Perceived independence of the judicial system by the population (%)**

This measures the perceived level of independence of the judicial system as a whole in the country, not specifically that of administrative courts.

### **Sub-indicator 8: Calculated disposition time of first-instance administrative cases**

This ratio does not provide a clear estimate of the average time needed to process each case. For example, if the ratio indicates that two cases will be processed within 600 days, one case might be resolved on the 30th day and the second case on the 600th day. The ratio does not indicate the mix, concentration or validity of the cases. Case-level data from functional information and communication technologies (ICT) systems are needed to review these details and make a full analysis<sup>67</sup>.

### **Sub-indicator 9: Clearance rate in first-instance administrative courts (%)**

This indicator measures the quality of the judgements of first-instance administrative courts, based on the judgements of the next court instance. If the administrative court system of the country consists of two instances, the second instance is the final court. However, if there are three instances, the ruling of the second-instance court (i.e. the appeals court) can be amended by the third instance (i.e. the supreme court), for example, if the supreme court reinstates the ruling of the first-instance court and annuls the ruling of the appeals court. Data for such a sophisticated analysis of the quality of first-instance judgements is not available in most countries.

### **Sub-indicator 10: Cases returned for retrial by the higher court (%)**

Comparability between countries is limited, as countries have different approaches to the review of first-instance rulings. One approach is to have a full appeals procedure and another is to have only extraordinary review by the Supreme Court.

<sup>64</sup> EC, Eurobarometer Survey, <http://ec.europa.eu/COMMFrontOffice/publicopinion/index.cfm>.

<sup>65</sup> EC, EU Justice Scoreboard, [http://ec.europa.eu/justice/effective-justice/scoreboard/index\\_en.htm](http://ec.europa.eu/justice/effective-justice/scoreboard/index_en.htm).

<sup>66</sup> European Commission for the Efficiency of Justice (CEPEJ), *Evaluation of European Judicial Systems*, [http://www.coe.int/t/dghl/cooperation/cepej/evaluation/default\\_en.asp](http://www.coe.int/t/dghl/cooperation/cepej/evaluation/default_en.asp).

<sup>67</sup> CEPEJ (2014), *European Judicial Systems: Efficiency and Quality of Justice*, Edition 2014 (2012 data), p. 191, [http://www.coe.int/t/dghl/cooperation/cepej/evaluation/2014/Rapport\\_2014\\_en.pdf](http://www.coe.int/t/dghl/cooperation/cepej/evaluation/2014/Rapport_2014_en.pdf).

### Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment is ensured by sending the assessment to the state administration for fact-checking. If the national authorities can provide evidence that findings are not correct, they are revised in the final version of the report. In addition to this, data on the use of the electronic case-management system is verified with the actual users of case-management systems.

Statistical data on the efficiency of the administrative courts is sent to the countries for fact-checking, but also triangulated with sources of information on each topic (e.g. studies prepared by other public bodies and institutions independent of the government, such as the high judicial council or the relevant courts).

Survey data received from the Balkan Barometer is checked by SIGMA in terms of compliance with the predefined methodology of the survey. SIGMA also triangulates this data by searching for other sources of information on each topic (e.g. studies prepared by other public bodies and institutions independent of the government).

## Principle 5: The public authorities assume liability in cases of wrongdoing and guarantee redress and/or adequate compensation.

### Indicator 4.5.1: Functionality of public liability regime

The indicator measures the extent to which there is a functioning system guaranteeing redress or compensation for unlawful acts and omissions of public authorities. It examines the strength of the legislative framework for public liability and whether it is applied in practice. Wrongful acts of the state against civil servants are excluded.

Sub-indicators	Maximum points
<b>Legal framework for public liability</b>	
1. Comprehensiveness of the scope of public liability	1
2. Coverage of the public liability regime to all bodies exercising public authority	1
3. Non-discrimination in seeking the right to compensation	1
4. Efficiency and fairness of the procedure for seeking compensation	3
<b>Practical implementation of the right to seek compensation</b>	
5. Application of the public liability mechanism in the courts in practice	3
6. Proportion of entitled applicants receiving payments	3
Total points	0-2      3-4      5-6      7-8      9-10      11-12
Final indicator value	<b>0      1      2      3      4      5</b>

Full description of each sub-indicator	
Legal framework for public liability	
Sub-indicator 1	<b>Comprehensiveness of the scope of public liability</b>
Methodology	Expert review of laws to determine whether any unlawful acts (administrative and physical) in the course of exercising public authority fall within the scope of public liability.
Point allocation	<ul style="list-style-type: none"> <li>• 1 point = unlawful acts fall within the scope of public liability.</li> <li>• 0 points = unlawful acts do not fall within the scope of public liability.</li> </ul>
Sub-indicator 2	<b>Coverage of the public liability regime to all bodies exercising public authority</b>
Methodology	Expert review of laws to establish whether all bodies exercising public authority are subject to liability, including private bodies performing public functions (with attention to provisions of the law on general administrative procedures, the civil code and the special law on public liability, if one exists).
Point allocation	<ul style="list-style-type: none"> <li>• 1 point = bodies exercising public authority are subject to liability.</li> <li>• 0 points = bodies exercising public authority are not subject to liability.</li> </ul>
Sub-indicator 3	<b>Non-discrimination in seeking the right to compensation</b>
Methodology	Expert review of laws to assess whether the right to compensation is granted to anyone who suffers damage, without discrimination of any sort (e.g. based on nationality).
Point allocation	<ul style="list-style-type: none"> <li>• 1 point = the right to compensation is granted without discrimination of any sort.</li> <li>• 0 points = the right to compensation is not granted without discrimination of any sort.</li> </ul>
Sub-indicator 4	<b>Efficiency and fairness of the procedure for seeking compensation</b>
Methodology	Expert review of laws to establish whether the procedure for seeking compensation ensures efficient and fair processing of public liability requests. Review of laws will be supplemented by interviews with academics, lawyers, judges, NGOs, etc.
Point allocation	<p>For each of the following three criteria outlining the procedure for seeking compensation, 1 point is awarded (total of 3 points):</p> <ul style="list-style-type: none"> <li>• Final decisions on the right to compensation, the form of compensation and the amount of compensation can be made by the court in a single lawsuit;</li> <li>• The time limit for submitting a public liability request (the period of prescription) is specified, and it is no less than one year after the applicant might have become aware of the damage;</li> <li>• The methodology on how to define compensation is specified in the legislation (pecuniary, <i>restitutio in integrum</i>), and fair compensation (<i>damnum emergens</i> and <i>lucrum cessans</i>) is guaranteed.</li> </ul>

Practical implementation of the right to seek compensation	
Sub-indicator 5	Application of the public liability mechanism in the courts in practice
Methodology	Practical application of the public liability mechanism in the form of court rulings is measured by the number of first-instance court rulings in public liability cases per 100 000 inhabitants in the latest full calendar year. This calculation also includes cases resolved amicably (in a settlement between the state authority and the affected party) and approved by court ruling, if applicable.
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = more than 1</li> <li>• 2 points = 0.6-1</li> <li>• 1 point = 0.1-0.5</li> <li>• 0 points = less than 0.1</li> </ul>
Sub-indicator 6	Proportion of entitled applicants receiving payments
Methodology	The number of payments made from the state budget as a result of court rulings in public liability cases per 100 000 inhabitants in the latest full calendar year is determined, to assess whether payments are made to entitled applicants as a result of court rulings.
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = more than 0.5</li> <li>• 2 points = 0.26-0.5</li> <li>• 1 point = 0.1-0.25</li> <li>• 0 points = 0</li> </ul>

#### Definitions of key terms and official data classifications used (if applicable)

**Public liability:** a legal recourse for seeking adequate compensation for damage caused to any person by unlawful administrative and physical acts and omissions committed by executive bodies in the course of exercising public authority. This definition excludes acts and omissions of legislative and judicial bodies. Illustrative cases of public liability are: 1) damage caused by the decision issued by a respective administrative body ordering the demolition of a building, if the decision was executed and subsequently repealed by the court (or appeals body); 2) damage caused by the decision of a tax authority imposing financial sanctions on a taxpayer, if the decision was executed and subsequently repealed by the court (or appeals body); 3) lack of action required by a law from the respective administrative body, if this inactivity had direct impact on damage caused to a citizen by a third party or external events, e.g. natural disaster (unlawful omission); and 4) excessive length of administrative proceedings. These examples are not exhaustive of public liability cases but provide guidance for assessors for the sub-indicators on the application of the public liability mechanism in the courts in practice and the proportion of entitled applicants receiving payments.

**Act:** any action or omission of such nature as to directly affect the rights, liberties or interests of persons. This includes normative acts in the exercise of regulatory authority, and administrative acts that are not regulatory and physical acts<sup>68</sup>.

#### Known limits and bias of data

#### Sub-indicator 5: Application of the public liability mechanism in the courts in practice

Due to different regimes of court statistics, there may be discrepancies in the classification of public

<sup>68</sup>

Recommendation No. R 84 (15) of the Committee of Ministers of the Council of Europe.

liability cases. Assessing this may be particularly difficult if the country's system of court statistics does not recognise public liability cases as a separate category and simply assigns them to a broader category of administrative or civil cases. SIGMA has defined four common types of public liability cases to minimise discrepancies (see definition of public liability above). If these specifications do not ensure identification of liability cases at the level of the whole court system, at least three courts of first instance will be contacted to identify this data at the court level.

#### Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment is ensured by sending the assessment to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. Statistical data on the implementation of the public liability regime is sent to the countries for fact-checking, but also triangulated with studies prepared by other public bodies and institutions independent of the government, such as the high judicial council or the relevant courts.

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5

Service Delivery

## SERVICE DELIVERY

### Principle 1: Policy for citizen-oriented state administration is in place and applied.

Indicator 5.1.1 Citizen-oriented service delivery						
Sub-indicators	Maximum points					
Policy framework for citizen-oriented service delivery						
1. Existence and extent of application of policy on service delivery	8					
2. Existence and extent of application of policy on digital service delivery	8					
3. Central co-ordination for digital government projects	4					
4. Established policy on administrative simplification	12					
Performance of citizen-oriented service delivery						
5. Perceived quality of public service delivery by citizens (%)	6					
6. Renewing a personal identification document	6					
7. Registering a personal vehicle	6					
8. Declaring and paying personal income taxes	6					
9. Perceived quality of public service delivery and administrative burdens by businesses (%)	6					
10. Starting a business	6					
11. Obtaining a commercial construction permit	6					
12. Declaring and paying corporate income taxes	6					
13. Declaring and paying value-added taxes	6					
Total points	0-14	15-28	29-42	43-56	57-70	71-86
Final indicator value	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

Full description of each sub-indicator	
Policy framework for citizen-oriented service delivery	
Sub-indicator 1	Existence and extent of application of policy on service delivery
Methodology	<p>Expert review of laws, government strategy and planning documents. Interviews with government representatives:</p> <ul style="list-style-type: none"> <li>• Responsible for development of service delivery at the centre of government (CoG) (e.g. office of the prime minister [PM]) and within individual institutions, such as line ministries and agencies);</li> <li>• From councils, committees or other governing bodies that steer or oversee the transformation of service delivery.</li> </ul> <p>The analysis is carried out based on the government-wide strategy for improvement of public services. This may be a specific document or included in wider strategy document(s). This sub-indicator does not include local government services.</p>
Point allocation	<p>For each of the following four criteria, 2 points are awarded (total of 8 points):</p> <ul style="list-style-type: none"> <li>• Clear government-wide objectives are formulated in at least one strategy document, setting out what is expected to be achieved by the transformation of service delivery<sup>69</sup>;</li> <li>• Explicit actions are defined to achieve the objectives;</li> <li>• Responsibility for achieving objectives and executing actions is clearly assigned to specific institutions;</li> <li>• An explicit monitoring mechanism is in place, and reports demonstrate that progress is assessed against objectives.</li> </ul>
Sub-indicator 2	Existence and extent of application of policy on digital service delivery
Methodology	<p>The policy on digital service delivery (or public sector ICT policy that is expected to lead to changes that will enhance service delivery) can be part of a wider policy related to service delivery. Expert review of laws, strategy and planning documents. Interviews with government representatives:</p> <ul style="list-style-type: none"> <li>• Responsible for digital government co-ordination (e.g. the chief information officer [CIO]);</li> <li>• From a ministry responsible for public administration, service delivery or digitisation and those responsible for implementation of the policy (e.g. CIOs and similar in line ministries and agencies);</li> <li>• From councils, committees or other governing bodies that guide or oversee government digital policies.</li> </ul> <p>This indicator only applies to the central government level.</p>

<sup>69</sup> Any strategy on the digitalisation of services is excluded from this analysis (even if it is part of the same planning document), because this aspect is covered in sub-indicator 2.

Point allocation	<p>For each of the following four criteria, 2 points are awarded (total of 8 points):</p> <ul style="list-style-type: none"> <li>• Clear government-wide objectives are formulated, setting out what is expected to be achieved by digitisation in the public administration;</li> <li>• Explicit actions are defined to achieve the objectives;</li> <li>• Responsibility for achieving objectives and executing actions is clearly assigned to specific institutions;</li> <li>• An explicit monitoring mechanism is in place, and reports demonstrate that progress is assessed against objectives.</li> </ul>
<b>Sub-indicator 3</b>	<b>Central co-ordination for digital government projects</b>
Methodology	<p>Expert review of laws and government reports. Interviews with the same interlocutors as for sub-indicator 2.</p> <p>Mandate to guide strategic directions requires clear evidence that the function is not limited to co-ordination and monitoring at a technical level. That means that the function is expected to explicitly support wider public policy or service delivery objectives (e.g. simplification of tax payment, digitisation for openness and transparency and, in some cases, digital healthcare or digital education improvements). This sub-indicator does not include local government services.</p>
Point allocation	<p>For each of the following two criteria, 2 points are awarded (total of 4 points):</p> <ul style="list-style-type: none"> <li>• Either of the following functions exists, with the mandate to monitor and review the implementation of IT and digital service projects across the central government: <ul style="list-style-type: none"> <li>◦ a dedicated central administrative function (e.g. in the form of a government CIO unit or an agency);</li> <li>◦ a dedicated standing body (e.g. in the form of a government-wide committee on government ICT, excluding <i>ad hoc</i> bodies and those that are subject to frequent changes in their composition).</li> </ul> </li> <li>• A compulsory central review process exists to examine the purpose and implementation of government IT projects, at least for projects above a minimum threshold not higher than EUR 500 000.</li> </ul>
<b>Sub-indicator 4</b>	<b>Established policy on administrative simplification</b>
Methodology	<p>Expert review of laws, strategy and planning documents. Interviews with central co-ordinating function for administrative simplification (e.g. PM's office). Interviews with the business community and NGOs. To determine whether the required processes for impact assessment are followed routinely in practice, expert review of regulations, interviews with representatives of the relevant quality-control body and analysis of five sample policy proposals (which must be the five last proposals approved by the government).</p>

Point allocation	<p>2 points are awarded for each of the following six criteria (total of 12 points):</p> <ul style="list-style-type: none"> <li>• A formally approved plan, not older than five years, is in place (as a separate policy document or as part of either the general service delivery policy or the digital service delivery policy) that establishes clear objectives for administrative simplification;</li> <li>• Explicit actions are defined to achieve the objectives (e.g. administrative guillotine);</li> <li>• Responsibility for steering administrative simplification is explicitly assigned to a central institution or unit;</li> <li>• Evidence is provided that over the last five years, at least three laws or regulations or service delivery processes have been amended in order to simplify administrative procedures, with documentary evidence submitted that demonstrates a reduction in cost or time;</li> <li>• Regulatory Impact Assessment procedures (or equivalent <i>ex-ante</i> analysis of impacts of laws and regulations) specifically include the obligation to analyse the administrative burden on citizens, businesses and other legal entities;</li> <li>• Impact assessment of policies (including assessment of the administrative burden) was routinely carried out in practice in all of the sample proposals.</li> </ul>
Performance of citizen-oriented service delivery	
<b>Sub-indicator 5</b>	<b>Perceived quality of public service delivery by citizens (%)</b>
Methodology	<p>Analysis of responses to a Balkan Barometer survey, or similar, by a representative sample of citizens who have been in contact with central government services during the past year. The respondents are asked “Could you please tell how satisfied you are with each of the following in your place of living?”</p> <p>Assessors calculate the percentage of respondents who answer “mostly satisfied” or “completely satisfied” in relation to: “Administrative services from central government (such as passports and personal identification [ID])”.</p> <p>Satisfaction with “Public services in general” is analysed under indicator 4, “Accessibility to public services”.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 6 points = 65%-100%</li> <li>• 4 points = 50%-64.99%</li> <li>• 2 points = 35%-49.99%</li> <li>• 0 points = below 35%</li> </ul>
<b>Sub-indicator 6</b>	<b>Renewing a personal identification document</b>
Methodology	<p>This sub-indicator tests the actual service delivery of government, based on a predefined scenario:</p> <p>An adult applying for the renewal of a national identification document (ID card) due to the expiry of the previous ID document. The application is made within the country (i.e. not at an embassy) through the standard procedure and paying minimum fees (i.e. no accelerated procedures are taken into account).</p> <p>Four performance metrics are used:</p> <ul style="list-style-type: none"> <li>• Average waiting time for reception of the document (government data, local expert, interviews). The starting point for waiting time should be the earlier</li> </ul>

	<p>of the following: date of appointment booking (in countries where an ID card is issued immediately) or date of complete application submission (in countries that process renewal applications internally before issuing the ID card). Calculation of the 12-month average for the latest period available;</p> <ul style="list-style-type: none"> <li>• Number of institutional contacts required to receive the ID card (legislation, local expert, interviews);</li> <li>• Digital user-friendliness of application procedure (local expert, SIGMA expert review, interviews). Full digital availability cannot be expected because checking a person's identity requires in-person contact. SIGMA considers the procedure to be digital user-friendly when three conditions are met: 1) an appointment for an ID card renewal can be booked via a digital channel; 2) an application can be pre-filled and transmitted to the responsible government body via a digital channel, e.g. providing information in advance to reduce time during an in-person visit; and 3) fees can be paid via a digital channel to reduce time during an in-person visit;</li> <li>• Digital uptake (government data). Share of transactions via digital channels in total number of transactions, using the 12-month average for the latest period available.</li> </ul>
Point allocation	<p>Points are awarded for each of the four criteria (total of 6 points):</p> <ul style="list-style-type: none"> <li>• waiting time: <ul style="list-style-type: none"> <li>◦ 1.5 points = 0-15 working days</li> <li>◦ 0 points = 16 working days or more</li> </ul> </li> <li>• institutional contacts required: <ul style="list-style-type: none"> <li>◦ 1.5 points = 1 contact</li> <li>◦ 0 points = 2 or more contacts</li> </ul> </li> <li>• digital user-friendliness of the application procedure: <ul style="list-style-type: none"> <li>◦ 1.5 points = all three conditions are met</li> <li>◦ 1 point = two conditions are met</li> <li>◦ 0 points = less than two conditions are met</li> </ul> </li> <li>• digital uptake of the application procedure: <ul style="list-style-type: none"> <li>◦ 1.5 points = 66.66%-100%</li> <li>◦ 1 point = 33.33%-66.65%</li> <li>◦ 0.5 points = 0.1%-33.32%</li> <li>◦ 0 points = 0%</li> </ul> </li> </ul>
<b>Sub-indicator 7</b>	<b>Registering a personal vehicle</b>
Methodology	<p>This sub-indicator tests for the actual service delivery of government services, based on a pre-defined scenario.</p> <p>A non-commercial second-hand car being sold within the same country. Seller and buyer are moral entities (i.e. individuals acting in their own name). The car is clear of any claims, and the buyer is in possession of a valid driver's licence and the necessary mandatory insurance requirements to register a car in his/her name. Registration takes place under the standard procedure (i.e. no voluntary fees or accelerated procedures are taken into account). Registration takes place in the capital city.</p> <p>This process only measures registration of the vehicle with public authorities. It does not evaluate the process necessary to comply with insurance requirements.</p> <p>Four performance metrics are used:</p>

	<ul style="list-style-type: none"> <li>• Number of official forms the public administration requires from the buyer (government data, local consultant, interviews), regardless of format (paper or digital). The point is awarded only if no information needs to be provided more than once by the buyer to the public administration (e.g. identity of the buyer, identity of the car, insurance number);</li> <li>• Number of institutional contacts required to register the personal vehicle (legislation, local expert, interviews);</li> <li>• Digital user-friendliness of the procedure for the buyer (expert review, local consultant, interviews). Full digital availability means that the buyer can register the ownership change without an in-person visit to the administration. This supposes that the seller complies with all necessary requirements. The evaluation excludes potentially required in-person visits of the buyer to institutions that are not necessarily the public administration (e.g. insurance provider, licence plate issuer). Two out of the three scenarios must be considered fulfilled to qualify for partial digital availability: 1) for the visit for registering the car ownership change an appointment can be booked remotely (telephone, internet); 2) an application can be pre-filled and transmitted to the responsible government body via a digital channel, e.g. providing information in advance to reduce time during an in-person visit; and 3) fees can be paid via a digital channel, e.g. to reduce time during an in-person visit. Where forms can be downloaded from the web, it does not count as partially digital availability;</li> <li>• Digital uptake (government data). Share of transactions via digital channels in total number of transactions, using a 12-month average for the latest period available.</li> </ul>
Point allocation	<p>Points are awarded for each of the three criteria (total of 6 points):</p> <ul style="list-style-type: none"> <li>• number of official forms to be filled in and submitted by the buyer: <ul style="list-style-type: none"> <li>○ 1.5 points = 0 or 1 form</li> <li>○ 0 points = more than 1 form</li> </ul> </li> <li>• number of institutional contacts required: <ul style="list-style-type: none"> <li>○ 1.5 points = 1 contact</li> <li>○ 0 points = 2 or more contacts</li> </ul> </li> <li>• digital user-friendliness of the procedure: <ul style="list-style-type: none"> <li>○ 1.5 points = full digital availability</li> <li>○ 1 point = partial digital availability</li> <li>○ 0 points = no digital availability</li> </ul> </li> <li>• digital uptake of the application procedure: <ul style="list-style-type: none"> <li>○ 1.5 points = 66.66%-100%</li> <li>○ 1 point = 33.33%-66.65%</li> <li>○ 0.5 points = 0.1%-33.32%</li> <li>○ 0 points = 0%</li> </ul> </li> </ul>
<b>Sub-indicator 8</b>	<b>Declaring and paying personal income taxes</b>
Methodology	<p>This sub-indicator evaluates the availability of electronic channels to declare and pay personal income taxes, as well as their use among taxpayers. Three performance metrics are used:</p> <ul style="list-style-type: none"> <li>• Number of pre-filled personal income tax declarations (government data, local consultant, interviews). Pre-filling refers only to data that determine effective tax rate (e.g. salaries, capital revenues, social security benefits, deductions). Forms that only pre-fill taxpayer identity or historical data from</li> </ul>

	<p>past declarations do not count. Latest period available;</p> <ul style="list-style-type: none"> <li>• Digital availability of personal income tax declaration (government information, local expert, external expert, interviews). Full points are awarded only if the following conditions are met:           <ul style="list-style-type: none"> <li>○ The entire process can be conducted through a digital channel (or if tacit approval is foreseen);</li> <li>○ As a general rule, no supporting evidence need be provided, in paper or in person;</li> <li>○ Electronic payment of taxes due (or reimbursement) is available (e.g. via direct debit, Internet banking, third-party digital payment service).</li> </ul> </li> <li>• Use of digital channels for personal income tax declarations (government data, local expert). Tax declarations that are pre-filled by government and tacitly accepted by the taxpayer count as use of digital channels (i.e. they must be included to determine the percentage share). Latest period available.</li> </ul>
Point allocation	<p>Points are awarded for each of the three criteria (total of 6 points):</p> <ul style="list-style-type: none"> <li>• percentage of tax declaration forms that are pre-filled:           <ul style="list-style-type: none"> <li>○ 2 points = 66.66%-100%</li> <li>○ 1 point = 33.33%-66.65%</li> <li>○ 0 points = 0%-33.32%</li> </ul> </li> <li>• digital availability:           <ul style="list-style-type: none"> <li>○ 2 points = full process from declaration to payment</li> <li>○ 1 point = parts of the declaration process are digital</li> <li>○ 0 points = no digital availability</li> </ul> </li> <li>• percentage of tax declarations submitted through a digital channel (or tacitly accepted):           <ul style="list-style-type: none"> <li>○ 2 points = 66.66%-100%</li> <li>○ 1 point = 33.33%-66.65%</li> <li>○ 0.5 points = 0.1%-33.32%</li> <li>○ 0 points = 0%</li> </ul> </li> </ul>
<b>Sub-indicator 9</b>	<b>Perceived quality of public service delivery and administrative burdens by businesses (%)</b>
Methodology	<p>Analysis of responses by a representative sample of businesses to a Balkan Barometer survey, or similar:</p> <ul style="list-style-type: none"> <li>• Businesses' satisfaction with public services: the respondents are asked "Could you please tell me how satisfied you are with each of the following in (country)?" Assessors calculate the percentage of respondents who answer "tend to be satisfied" or "strongly satisfied" in relation to "Public services for businesses" and "Digital services currently provided by the public administration for businesses";</li> <li>• Administrative burdens: the respondents are asked: "Can you tell me how problematic these different factors are for the operation and growth of your business?" Assessors calculate the percentage of respondents who answer "moderate obstacle" and "major obstacle" in relation to "Business licensing and permits";</li> <li>• Perceived clarity and stability of government policy making: the respondents are asked if they agree with the following statement: "Laws and regulations affecting my company are clearly written, not contradictory and do not change too frequently." Assessors measure the percentage of respondents</li> </ul>

	who answer “strongly agree” or “tend to agree”.
Point allocation	<p>Points are awarded for each of the four criteria (total of 6 points):</p> <ul style="list-style-type: none"> <li>• satisfaction with “public services for businesses”:           <ul style="list-style-type: none"> <li>○ 1.5 points = 65%-100%</li> <li>○ 1 point = 50%-64.99%</li> <li>○ 0.5 points = 35%-49.99%</li> <li>○ 0 points = 0%-34.99%</li> </ul> </li> <li>• satisfaction with “digital services for businesses”:           <ul style="list-style-type: none"> <li>○ 1.5 points = 65%-100%</li> <li>○ 1 point = 50%-64.99%</li> <li>○ 0.5 points = 35%-49.99%</li> <li>○ 0 points = 0%-34.99%</li> </ul> </li> <li>• “business licensing and permits” are considered a moderate or major obstacle:           <ul style="list-style-type: none"> <li>○ 1.5 points = 0%-29.99%</li> <li>○ 1 point = 30%-39.99%</li> <li>○ 0.5 points = 40%-49.99%</li> <li>○ 0 points = more than 50%</li> </ul> </li> <li>• agreement with the statement “Laws and regulations affecting my company are clearly written, not contradictory and do not change too frequently”:           <ul style="list-style-type: none"> <li>○ 1.5 points = 65%-100%</li> <li>○ 1 point = 50%-64.99%</li> <li>○ 0.5 points = 35%-49.99%</li> <li>○ 0 points = 0%-34.99%</li> </ul> </li> </ul>
<b>Sub-indicator 10</b>	<b>Starting a business</b>
Methodology	<p>Analysis of the World Bank Doing Business indicator “Starting a Business”<sup>70</sup>, as well as SIGMA expert review of government data and interviews with government officials responsible for business creation.</p> <p>The following performance metrics are used:</p> <ul style="list-style-type: none"> <li>• Number of procedures (World Bank data), average number for men and women;</li> <li>• Time in days (World Bank data), average number for men and women;</li> <li>• Cost to complete the administrative process in percentage of national income per capita (World Bank data), average share for men and women;</li> <li>• One-stop shop or digital availability of the service (expert review of the World Bank data, local expert confirmation, interviews with business representatives). Points are awarded if the full registration process for the company type used in the World Bank indicators is available either at a physical one-stop shop or through a purely digital interface. In some countries, a large network of intermediaries acts as one-stop shops, which can be considered as convenient as a digital process for the end user.</li> </ul>
Point allocation	<p>Points are awarded for each of the four criteria (total of 6 points):</p> <ul style="list-style-type: none"> <li>• number of procedures:</li> </ul>

70

<http://www.doingbusiness.org/data/exploretopics/starting-a-business>.

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	<ul style="list-style-type: none"> <li>○ 1.5 points = 1 to 5 procedures</li> <li>○ 1 point = 6 to 8 procedures</li> <li>○ 0 points = 9 or more procedures</li> <li>● time:           <ul style="list-style-type: none"> <li>○ 1.5 points = 1 to 7 days</li> <li>○ 1 point = 8 to 11 days</li> <li>○ 0 points = 12 or more days</li> </ul> </li> <li>● cost:           <ul style="list-style-type: none"> <li>○ 1.5 points = 0%-1.99% of income per capita</li> <li>○ 1 point = 2%-3.99% of income per capita</li> <li>○ 0 points = 4% or more of income per capita</li> </ul> </li> <li>● one-stop shop or full digital availability:           <ul style="list-style-type: none"> <li>○ 1.5 points = yes</li> <li>○ 0 points = no</li> </ul> </li> </ul>
<b>Sub-indicator 11</b>	<b>Obtaining a commercial construction permit</b>
Methodology	<p>Analysis of the World Bank Doing Business indicator “Dealing with Construction Permits”<sup>71</sup>.</p> <p>The following performance metrics are used:</p> <ul style="list-style-type: none"> <li>● number of procedures required (World Bank data);</li> <li>● time (median number of days required to complete the procedure - World Bank data);</li> <li>● cost (% of the value of the warehouse to be built - World Bank data).</li> </ul>
Point allocation	<p>Points are awarded for each of the three criteria (total of 6 points):</p> <ul style="list-style-type: none"> <li>● number of procedures:           <ul style="list-style-type: none"> <li>○ 2 points = 1 to 12 procedures</li> <li>○ 1 point = 13 to 24 procedures</li> <li>○ 0 points = 25 or more procedures</li> </ul> </li> <li>● time:           <ul style="list-style-type: none"> <li>○ 2 points = 1 to 103 days</li> <li>○ 1 point = 104 to 207 days</li> <li>○ 0 points = 208 or more days</li> </ul> </li> <li>● cost:           <ul style="list-style-type: none"> <li>○ 2 points = 0%-0.7% of warehouse value</li> <li>○ 1 point = 0.8%-1.4% of warehouse value</li> <li>○ 0 points = 1.5% or more of warehouse value</li> </ul> </li> </ul>
<b>Sub-indicator 12</b>	<b>Declaring and paying corporate income taxes</b>
Methodology	<p>Analysis of World Bank Doing Business indicator “Paying Taxes” in relation to corporate income taxes, as well as SIGMA expert review of government data, interviews with government officials and business representatives.</p> <p>The following performance metrics are assessed:</p> <ul style="list-style-type: none"> <li>● Number of payments (World Bank data). This metric includes digital availability, as per World Bank methodology: “Where full electronic filing and</li> </ul>

<sup>71</sup>

<http://www.doingbusiness.org/data/exploretopics/dealing-with-construction-permits>.

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	<p>payment is allowed and it is used by the majority of medium-size businesses, the tax is counted as paid once a year even if filings and payments are more frequent.”;</p> <ul style="list-style-type: none"> <li>• Time in hours to prepare, file and pay corporate income taxes over the course of one year (World Bank data);</li> <li>• Digital uptake (government data, validation by expert and in interviews with business representatives). Companies that use automated and/or tacit declarations count as use of a digital channel (i.e. they must be included to determine the percentage share).</li> </ul>
Point allocation	<p>Points are awarded for each of the three criteria (total of 6 points):</p> <ul style="list-style-type: none"> <li>• number of payments: <ul style="list-style-type: none"> <li>○ 2 points = 1 payment</li> <li>○ 0 points = 2 or more payments</li> </ul> </li> <li>• time: <ul style="list-style-type: none"> <li>○ 2 points = 1-50 hours</li> <li>○ 1 point = 51-100 hours</li> <li>○ 0 points = 101 or more hours</li> </ul> </li> <li>• digital uptake: <ul style="list-style-type: none"> <li>○ 2 points = 75%-100%</li> <li>○ 1.5 points = 50%-74.99%</li> <li>○ 1 point = 25%-49.99%</li> <li>○ 0.5 points = 0.1%-24.99%</li> <li>○ 0 points = 0%</li> </ul> </li> </ul>
<b>Sub-indicator 13</b>	<b>Declaring and paying value-added taxes</b>
Methodology	<p>Analysis of the World Bank Doing Business indicators “Paying Taxes” and “Value-Added Taxes” (VAT), as well as SIGMA expert review of government data and interviews with government officials responsible for construction permits.</p> <p>The following performance metrics are assessed:</p> <ul style="list-style-type: none"> <li>• Number of payments (World Bank data). This metric includes digital, as per World Bank methodology: “Where full electronic filing and payment is allowed and it is used by the majority of medium-size businesses, the tax is counted as paid once a year even if filings and payments are more frequent.”;</li> <li>• Time in hours to prepare, file and pay corporate income taxes over the course of one year (World Bank data);</li> <li>• Digital uptake (analysis of government data, validation by expert and in interviews with business representatives). Companies that use automated exchanges to declare VAT qualify as use of digital channel (i.e. they must be included to determine the percentage share).</li> </ul>
Point allocation	<p>Points are awarded for each of the three criteria (total of 6 points):</p> <ul style="list-style-type: none"> <li>• number of payments: <ul style="list-style-type: none"> <li>○ 2 points = 1 payment</li> <li>○ 0 points = 2 or more payments</li> </ul> </li> <li>• time: <ul style="list-style-type: none"> <li>○ 2 points = 1-50 hours</li> <li>○ 1 point = 51-100 hours</li> <li>○ 0 points = 101 or more hours</li> </ul> </li> </ul>

- digital uptake:
  - 2 points = 75%-100%
  - 1.5 points = 50%-74.99%
  - 1 point = 25%-49.99%
  - 0.5 points = 0.1%-24.99%
  - 0 points = 0%

#### Definitions of key terms and official data classifications used (if applicable)

**(Public) services:** services of an administrative nature provided to citizens by the executive bodies of central government, in the following forms: resolving individual administrative cases by issuing administrative acts and undertaking administrative actions at the request of an individual or otherwise; handling citizens' official requests; and enabling citizens to perform their duties towards the state (e.g. pay taxes).

**Digital (public) services:** public services, as defined above, that are provided at least partially via ICTs used by citizens.

**Inventory of public services:** a catalogue of public services that is publicly available (online or upon request, provided in person or digitally) specifying at a minimum the following elements: 1) name of the service; 2) legal basis; 3) provider; 4) key information about the delivery process, including cost for the citizen, actions/documents required from the service user, and form of delivery (in person or digitally).

**Common standard for service delivery:** document or set of documents binding for all bodies that provide public services, specifying their obligations to citizens (service users) with regard to service provision (e.g. binding citizens' charter, Web Content Accessibility Guidelines webpage standard, or regulation on public service delivery standards). The document or set of documents should also establish a mechanism to ensure regular monitoring of implementation of the standard.

**User-oriented transactional service:** service that includes an interaction between an individual user (or legal entity) and the administration. The interaction has clear inputs and outputs that make it easy to record individual transactions (i.e. actual occurrences of a service delivered). For the user, a transactional service serves a single purpose (e.g. to set up a business, declare the birth of a child, pay taxes or request unemployment benefits). For the administration, that same transactional service can fulfil several purposes (e.g. information about the newly set-up business must be recorded with the tax administration, social security, statistical office and other functions). User-oriented services are limited to individual services (i.e. they exclude collective services such as policing). Transactional services are further defined by their administrative nature (e.g. they exclude medical examinations in a public hospital).

**Administrative simplification:** tool to review and simplify administrative regulation that aims to increase cost efficiency of administrative regulations. The key measures of administrative simplification are *ex-ante* and *ex-post* assessment of the regulations, adoption of standard cost model, codification and consolidation of regulatory framework, and introduction of one-stop shops<sup>72</sup>.

#### Comparability

##### **Sub-indicator 9: Declaring and paying personal income taxes**

##### **Sub-indicator 13: Declaring and paying corporate income taxes**

<sup>72</sup>

OECD (2010), *Why Is Administrative Simplification So Complicated?: Looking Beyond 2010*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264089754-en>.

**Sub-indicator 14: Declaring and paying value-added taxes**

Online taxation data collected here is comparable to that collected via an international survey of 150 global tax administrations by the OECD Forum on Tax Administration<sup>73</sup>. This includes data on online tax services (availability, pre-filling and uptake).

**Sub-indicator 11: Starting a business**

**Sub-indicator 12: Obtaining a commercial construction permit**

**Sub-indicator 13: Declaring and paying corporate income taxes**

**Sub-indicator 14: Declaring and paying value-added taxes**

Comparisons are possible with all countries covered by the World Bank Doing Business project, provided that additional analysis is undertaken for those countries to extract all necessary data from the World Bank knowledge base, which is publicly available information.

Known limits and bias of data

**Sub-indicator 6: Perceived quality of public service delivery by citizens (%)**

**Sub-indicator 10: Perceived quality of public service delivery and administrative burdens by businesses (%)**

Other variables not directly attributable to the performance of the government can influence the views of citizens and business on the provision of administrative services and public services by the central government, as well as on administrative burdens. In addition, there may be a correlation between general satisfaction with the government and satisfaction with service delivery and administrative burdens.

**Sub-indicator 11: Starting a business**

**Sub-indicator 12: Obtaining a commercial construction permit**

**Sub-indicator 13: Declaring and paying corporate income taxes**

**Sub-indicator 14: Declaring and paying value-added taxes**

These sub-indicators rely heavily on the World Bank's Doing Business methodology, which is not flawless. To balance its assessment, SIGMA triangulates this information with other data sources.

Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment is ensured by sending the assessment to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate understanding of strategies and the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature.

Survey data received from the annual Balkan Barometer survey, or similar, survey are checked by SIGMA in terms of compliance with the predefined methodology of the survey. SIGMA also triangulates this data by searching for other sources of information on each topic (e.g. studies prepared by other public bodies and institutions independent of the government).

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**Principle 2: Good administration is a key policy objective underpinning the delivery of public service, enacted in legislation and applied consistently in practice.**

<sup>73</sup>

<http://www.oecd.org/tax/forum-on-tax-administration/database/>.

**Indicator 5.2.1: Fairness and efficiency of administrative procedures**

The indicator measures the extent to which the regulation of administrative procedure is compatible with international standards of good administration and good administrative behaviour. This includes both the legal framework for administrative procedure and its practical applications.

Sub-indicators	Maximum points
<b>Legal framework for administrative procedure</b>	
1. Existence of legislation on administrative procedures of general application	3
2. Adequacy of law(s) on administrative procedures to ensure good administration	7
<b>Fairness and efficiency of administrative procedures</b>	
3. Perceived efficiency of administrative procedures in public institutions by citizens (%)	4
4. Repeals of, or changes to, decisions of administrative bodies made by the administrative courts (%)	4
Total points	0-3      4-6      7-9      10-12      13-15      16-18
<b>Final indicator value</b>	<b>0      1      2      3      4      5</b>

**Full description of each sub-indicator**

Legal framework for administrative procedure	
<b>Sub-indicator 1</b>	<b>Existence of legislation on administrative procedures of general application</b>
Methodology	Expert review of laws
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = legislation exist(s) that comprehensively regulate(s) administrative procedures.</li> <li>• 0 points = no law exists on general administrative procedures.</li> </ul>
<b>Sub-indicator 2</b> <b>Adequacy of the law(s) on administrative procedures to ensure good administration</b>	
Methodology	<p>Expert review of laws, including the law on general administrative procedures (LGAP) and laws regulating procedure in sample cases listed below. This sub-indicator measures whether the law on general administrative procedures and/or other laws regulating administrative procedure in sample cases guarantee the principles of good administrative behaviour.</p> <p>Assessment of this indicator is conducted in two steps: assessment of the LGAP (if this exists) and assessment of the laws regulating the procedure in the sample cases below. The first three cases are assessed. If any of these three do not fit the sample requirements (for example, if they are local government decisions) then the fourth is used as a substitute:</p> <ol style="list-style-type: none"> <li>1) decision on access to public information</li> <li>2) decision on commercial construction permit (licence)</li> </ol>

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	<p>3) decision on business registration 4) decision on VAT return.</p> <p>If the sample law is in accordance with the LGAP (i.e. there is no special procedural regulation), the assessment is based solely on analysis of the LGAP. The list of sample cases may be adjusted to the specific regulations of the country. Laws are checked against the principles of good administrative behaviour listed below.</p>
Point allocation	<p>For each of the following principles of desirable administrative behaviour that are guaranteed by laws regulating administrative proceedings in all three sample cases, 1 point is awarded (total of 7 points):</p> <ul style="list-style-type: none"><li>• Each party has the right to be heard prior to final decision;</li><li>• Each party has the right to access their files, while respecting the legitimate interests of confidentiality and professional and business secrecy;</li><li>• Each party has the right to appeal a decision of a first-instance administrative body to a higher administrative body or directly to the courts;</li><li>• The administrative act indicates the legal basis of the decision;</li><li>• The administrative act includes a statement of reasons;</li><li>• The administrative act includes deadlines for issuing administrative decisions and remedies against excessive length of administrative procedures;</li><li>• The administrative act provides information about the right to appeal and specifies both the deadline for filing an appeal and the relevant appeal body.</li></ul>

### Fairness and efficiency of administrative procedures

<b>Sub-indicator 3</b>	<b>Perceived efficiency of administrative procedures in public institutions by citizens (%)</b>
Methodology	<p>Analysis of responses by a representative sample of citizens to a Balkan Barometer survey, or similar. The respondents are asked the following question: “Do you agree that the administrative procedures in public institutions in (country) are efficient?”</p> <p>Assessors calculate the percentage of respondents who answer “tend to agree” or “totally agree”. Only citizens who have been in contact with central government services are included, but in the analysis, SIGMA also analyses the overall perceptions of all citizens.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = 65%-100%</li> <li>• 3 points = 55%-64.99%</li> <li>• 2 points = 45%-54.99%</li> <li>• 1 point = 35%-44.99%</li> <li>• 0 points = 0%-34.99%</li> </ul>
<b>Sub-indicator 4</b>	<b>Repeals of, or changes to, decisions of administrative bodies made by administrative courts (%)</b>
Methodology	Number of rulings made by first-instance administrative courts repealing or changing decisions made by administrative bodies during the latest calendar year, divided by the total number of rulings issued in response to complaints against administrative decisions, expressed as a percentage.
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = 0%-9.99%</li> <li>• 3 points = 10%-19.99%</li> <li>• 2 points = 20%-29.99%</li> <li>• 1 point = 30%-40%</li> <li>• 0 points = more than 40%</li> </ul>

### Definitions of key terms and official data classifications used (if applicable)

**Law on general administrative procedure (LGAP):** primary legislation that regulates the procedure for issuance of administrative acts and that could be applied in all or the vast majority of individual administrative cases under the jurisdiction of central government bodies, unless special regulation (*lex specialis*) excludes its application in specific cases.

**Good administration (good administrative behaviour):** set of procedural guarantees protecting citizens' rights in the course of administrative proceedings. While there is no uniform standard of good administration, key components of this concept have been specified in the following international documents: 1) Article 41 of the Charter of Fundamental Rights of the European Union; 2) Council of Europe Resolution (77) 31 on the Protection of the Individual in Relation to the Acts of Administrative Authorities; and 3) the European Code of Good Administrative Behaviour.

**Excessive length of proceedings:** according to the standard of the European Court of Human Rights<sup>74</sup>, reasonableness of the length of proceedings must be assessed in the light of the circumstances of the case and with reference to the following criteria: 1) the complexity of the case; 2) the conduct of the

<sup>74</sup>

E.g. *Frydlender v. France*, 27 June 2000.

applicant and of the relevant authorities; and 3) what was at stake for the applicant in the dispute.

**Effective remedy:** only remedies providing sufficient means of redress, not only in theory but also in practice, can be considered effective. The following elements comprise the minimum standard for effective remedy against excessive length of proceedings: 1) the LGAP establishes a deadline for issuing decisions; 2) the party may submit a complaint to the higher-instance body or to the court against a failure to issue a decision within the statutory deadline; 3) there is no charge for submitting a complaint against excessive length of proceedings; 4) the body considering the complaint is competent to set the deadline for issuing the decision; and 5) ignoring this deadline leads to disciplinary measures against the relevant public authority.

### Comparability

#### **Sub-indicator 3: Perceived efficiency of administrative procedures in public institutions by citizens (%)**

Comparability is low, due to lack of large-scale international rankings of the quality of administrative procedures. However, there are some comparative studies available evaluating more general or similar issues. The Quality of Government survey measures impartiality of public administration, along with other issues<sup>75</sup>. It provides this definition of impartiality: "When implementing laws and policies, government officials shall not take into consideration anything about the citizen/case that is not beforehand stipulated in the policy or the law." The Global Competitiveness Index<sup>76</sup> measures broadly defined government efficiency and favouritism in decisions of government officials.

### Known limits and bias of data

#### **Sub-indicator 4: Repeals of, or changes to, decisions of administrative bodies made by administrative courts**

This indicator does not provide fully comparable data on the performance of state administration bodies, as the procedural rules for judicial review of administrative acts may differ significantly between countries, for example in terms of the scope and form of judicial review.

### Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment is ensured by sending the assessment to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature.

Survey data received from the annual Balkan Barometer survey, or similar, survey are checked by SIGMA in terms of compliance with the predefined methodology of the survey. SIGMA also triangulates data on efficiency and fairness of administrative proceedings by searching for other sources of information on each topic (e.g. studies prepared by other public bodies and institutions independent of the government).

<sup>75</sup> University of Gothenburg, Quality of Government Institute, QoG Expert Survey, <http://qog.pol.gu.se/data/datadownloads/qogexpertsurveydata>.

<sup>76</sup> World Economic Forum, *Global Competitiveness Index 2016-2017*, <http://reports.weforum.org/global-competitiveness-index/competitiveness-rankings/#series=GCI>.

**Principle 3: Mechanisms for ensuring the quality of public service are in place.**

<b>Indicator 5.3.1: Existence of enablers for public service delivery</b>						
This indicator measures the extent to which citizen-oriented service delivery is facilitated by enabling tools and technologies, such as public service inventories, interoperability frameworks, digital signatures and user feedback mechanisms. It evaluates how effective the central government is in establishing and using these tools and technologies to improve the design and delivery of public services.						
Sub-indicators						
Central and shared mechanisms to better enable public service provision are in place						
1. Central monitoring of service delivery performance	3					
2. Adequacy of interoperability infrastructure	3					
3. Existence of common standards for public service delivery	3					
4. Legal recognition and affordability of electronic signatures	3					
Performance of central and shared mechanisms for public service delivery						
5. Use of quality-management tools and techniques	4					
6. Adoption of user engagement tools and techniques	4					
7. Interoperability of basic registers	4					
Total points	0-4	5-8	9-12	13-16	17-20	21-24
<b>Final indicator value</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Full description of each sub-indicator</b>						
Central and shared mechanisms to better enable public service provision are in place						
Sub-indicator 1	<b>Central monitoring of service delivery performance</b>					
Methodology	<p>Expert reviews of laws and regulations, reports and government websites. As under sub-indicators 1 and 2 under Principle 1, interviews with government representatives:</p> <ul style="list-style-type: none"> <li>• Responsible for the development of service delivery at the centre of government (CoG) (e.g. PM's office) and/or ministry responsible for public administration, service delivery or digitisation and within individual institutions (line ministries and agencies);</li> <li>• From councils, committees or other governing bodies that steer or oversee the development of service delivery.</li> </ul> <p>The analysis focuses on central government. Only user-oriented transactional services are considered, those available both in person and digitally. As points are awarded only if there is evidence that a significant number of services are covered, the metrics should cover no fewer than 30 user-oriented transactional services</p>					

	<p>from at least five ministries.</p> <p>The following criteria are assessed:</p> <ul style="list-style-type: none"> <li>• Responsibility for monitoring service delivery performance is a function formally assigned to a central institution or unit;</li> <li>• A clear government-wide methodology has been established to guide the production and reporting of performance metrics by individual ministries;</li> <li>• Performance metrics on total volume of yearly transactions are reported for a significant share of user-oriented transactional services;</li> <li>• Performance metrics on cost (such as average cost of transaction for each service) are reported for a significant share of user-oriented transactional services;</li> <li>• Performance metrics on uptake of digital channels for each service (i.e. total volume of yearly online transactions) are reported for a significant share of user-oriented transactional services.</li> </ul>
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = all of the above criteria are fulfilled.</li> <li>• 2 points = four of the above criteria are fulfilled.</li> <li>• 1 point = three of the above criteria are fulfilled.</li> <li>• 0 points = two or fewer of the above criteria are fulfilled.</li> </ul>
<b>Sub-indicator 2</b>	<b>Adequacy of interoperability infrastructure</b>
Methodology	Expert review of laws and government reports. Interviews. Operation of the dedicated data exchange infrastructure can include both piloting as well as fully operational implementation. Additional points are awarded if coverage goes beyond central government, because interoperability is expected to include all levels of government.
Point allocation	<p>Points are awarded for each of the following three criteria (total of 3 points):</p> <ul style="list-style-type: none"> <li>• Citizens have the legal right to supply information “once only” to the administration (1 point if this applies to all levels of government; 0.5 points if this is for central government only);</li> <li>• An interoperability framework for the government has been developed (1 point if this applies to all levels of government; 0.5 points if this is for central government only);</li> <li>• A technical infrastructure for data exchange is operational, and it implements the interoperability framework (1 point if this applies to all levels of government; 0.5 points if this only applies to central government institutions).</li> </ul>
<b>Sub-indicator 3</b>	<b>Existence of common standards for public service delivery</b>
Methodology	<p>Analysis of written evidence (including online sources) to determine whether there is a common standard against which all user-orientated transactional services are evaluated.</p> <p>The standard can be focused on user experience with in-person services, with digital services, or both. The common standard should convey specific commitments of the public administration to create a positive experience for users/customers interacting with the public administration. The standard should be generally valid for all of the public administration (at least central government).</p> <p>For criterion 3 on central guidance and assistance, the following three</p>

	<p>requirements must be fulfilled:</p> <ul style="list-style-type: none"> <li>• Institutional arrangements are in place (e.g. a dedicated central function to support institutions in meeting the standard);</li> <li>• Specific tools are provided (e.g. manual, guidebook, checklist, certification and training);</li> <li>• There is evidence of at least some uptake of central guidance and assistance by service delivery institutions (i.e. line ministries or agencies).</li> </ul> <p>For criterion 4, “inventory of public services” refers to a single, centrally co-ordinated catalogue or list of all user-oriented transactional services. Although it can also be made public, the inventory is primarily used for internal management of service delivery reforms. It serves as the initial baseline of the total number of user-oriented services and can be used to collect information about service delivery and service quality.</p> <p>The four criteria assessed under this sub-indicator are:</p> <ol style="list-style-type: none"> <li>1) A common digital service standard exists;</li> <li>2) A common in-person service standard exists;</li> <li>3) Central guidance and assistance are available (i.e. there are either up to date written guidelines or regular assistance is provided by a central body);</li> <li>4) An inventory of user-oriented public services is centrally maintained and regularly updated.</li> </ol>
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = all of the four criteria are fulfilled.</li> <li>• 2 points = three of the criteria are fulfilled.</li> <li>• 1 point = two of the criteria are fulfilled.</li> <li>• 0 points = one or none of the criteria are fulfilled.</li> </ul>
<b>Sub-indicator 4</b>	<b>Legal recognition and affordability of electronic signatures</b>
Methodology	<p>Expert review of laws. Legal recognition of electronic signatures is directly linked to transposition of the Electronic Signatures Directive 1999/93/EC, and a basic requirement for harmonisation with the EU eIDAS Regulation (EU No. 910/2014 on electronic identification and trust services for electronic transactions in the internal market).</p> <p>Verification of costs of electronic signatures should take the following into account:</p> <ul style="list-style-type: none"> <li>• Combination of electronic signature with national ID card: application for the national ID card can be subject to a fee. For a point to be awarded, however, no additional fee should be required to activate the electronic signature function of the ID;</li> <li>• The possibility of third-party digital signatures that are officially certified: this can be by mobile operators, banks or other service providers. There can be fees for the core services of those providers, but for a point to be awarded, the digital signature should involve no additional cost to end users.</li> </ul>

<p><b>Point allocation</b></p> <p>For each of the following three criteria, 1 point is awarded (total of 3 points):</p> <ul style="list-style-type: none"> <li>• National legislation stipulates that an electronic/digital signature is equivalent to a handwritten signature;</li> <li>• The digital signature framework is compatible with eIDAS;</li> <li>• The digital signature is free of (an additional) charge for end users that are moral entities (i.e. citizens).</li> </ul>	
<b>Performance of central and shared mechanisms for public service delivery</b>	
<p><b>Sub-indicator 5</b> <b>Use of quality-management tools and techniques</b></p>	<p><b>Methodology</b></p> <p>Expert review of laws, reports and government websites. Official government data and information. Interviews with the central government function responsible for co-ordination of quality management (if this exists) and with line ministries and agencies. This sub-indicator only considers the use of the following tools and techniques for quality management and quality assurance: European Foundation for Quality Management (EFQM), Common Assessment Framework (CAF), International Organization for Standardization (ISO) 9001, or equivalent other quality-management tool (e.g. national quality management framework).</p> <p>Two criteria are assessed:</p> <ul style="list-style-type: none"> <li>• Central policy framework: a central framework for quality management exists and applies to all central government institutions. There is no distinction between mandatory, recommended or voluntary implementation;</li> <li>• Adoption: calculated as a share of the sample of institutions (see below for sample composition) having implemented at least one of the defined tools and techniques.</li> </ul> <p>Evidence of implementation can be provided by government institutions or:</p> <ul style="list-style-type: none"> <li>• CAF: mentioned as regular CAF user on <a href="http://caf.eipa.eu">http://caf.eipa.eu</a> ("Effective CAF user" status not required);</li> <li>• ISO: evidence of ISO implementation and self-assessment (e.g. assessment report; certification not required);</li> <li>• EFQM: evidence of EFQM implementation and self-assessment (e.g. assessment report; external assessment not required).</li> </ul> <p>The adoption review is carried out based on five central government ministries (responsible for: healthcare, education, justice, interior affairs and economy) plus three central government agencies (national tax administration, national statistical office and telecommunications regulator). Where an agency does not exist, it can be replaced by the national healthcare fund or the national employment service provider.</p>
<p><b>Point allocation</b></p>	<p>Points are awarded for each of the following two criteria (total of 4 points):</p> <ul style="list-style-type: none"> <li>• central policy framework for quality management exists (1 point);</li> <li>• the percentage of sample institutions that have implemented at least one tool or technique: <ul style="list-style-type: none"> <li>○ 3 points = 75%-100%</li> <li>○ 2 points = 50%-74.99%</li> <li>○ 1 point = 25%-49.99%</li> <li>○ 0 points = 0%-24.99%</li> </ul> </li> </ul>

<b>Sub-indicator 6</b>	<b>Adoption of user engagement tools and techniques</b>
Methodology	<p>Expert review of laws, reports and government websites. Official government data and information. Interviews with central government function responsible for service quality co-ordination (if this exists) and with line ministries and agencies.</p> <p>The assessment will verify whether ministries/agencies have adopted:</p> <ul style="list-style-type: none"> <li>conventional user consultation tools (e.g. surveys of user satisfaction, administrative burdens perception);</li> <li>advanced user engagement tools (e.g. mystery shopper, focus group of users, A/B testing of transactional services or service prototypes, customer journey maps for life events).</li> </ul> <p>Evidence (e.g. reports) is required that the tools were applied during the current or previous calendar year.</p> <p>The review is carried out based on five central government ministries (responsible for healthcare, education, justice, interior affairs and economy) plus three central government agencies (national tax administration, national statistical office and telecommunications regulator). Where an agency does not exist, it can be replaced by the national healthcare fund or the national employment service provider.</p>
Point allocation	<ul style="list-style-type: none"> <li>4 points = more than half of sample ministries/agencies have adopted advanced user engagement tools and use at least one conventional user consultation tool.</li> <li>3 points = more than half have adopted conventional user consultation tools.</li> <li>2 points = fewer than half have adopted advanced user engagement tools.</li> <li>1 point = fewer than half have adopted conventional user consultation tools.</li> <li>0 points = none have adopted any of the tools.</li> </ul>
<b>Sub-indicator 7</b>	<b>Interoperability of basic registers</b>
Methodology	<p>Expert review of laws, reports and government websites. Interviews with central government function for IT (e.g. CIO office) and with IT representatives from line ministries or agencies responsible for the basic register. Where countries do not operate one centralised register, the questions refer to the entire system of relevant registers. If the relevant register is not maintained at all, no individual score for that type is awarded. Basic registers included in the analysis are:</p> <ul style="list-style-type: none"> <li>population register</li> <li>business register</li> <li>vehicles register</li> <li>land register</li> </ul>
Point allocation	<p>Points are awarded for the following two criteria for each of the basic registers (total of 4 points):</p> <ul style="list-style-type: none"> <li>The register is fully digitised and is exhaustive, i.e. 100% of the information in the register is stored in digital form, without exclusive paper records (0.5 points for each of the population, business, vehicles and land registers);</li> <li>Access to the register is possible through a data exchange infrastructure that follows the government's common interoperability framework, i.e. no points are awarded if framework and infrastructure do not exist (0.5 points for each</li> </ul>

of the population, business, vehicles and land registers).

#### Definitions of key terms and official data classifications used (if applicable)

**Electronic signature:** according to EU Regulation No. 910/2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC, electronic signature means data in electronic form that is attached to or logically associated with other data in electronic form and which is used by the signatory to sign. An advanced electronic signature means an electronic signature that meets the requirements set out in Article 26 of Regulation 910/2014 (e.g. it is uniquely linked to the signatory and capable of identifying the signatory). A qualified electronic signature means an advanced electronic signature that is created by a qualified electronic signature creation device, and which is based on a qualified certificate for electronic signatures.

**Interoperability:** according to the European Interoperability Framework (2004), interoperability means the ability of ICT systems and the processes they support to exchange data and enable the sharing of information and knowledge. Interoperability aims to improve public service delivery to citizens and businesses by facilitating one-stop shop delivery of public services through integration of back-office systems, and to reduce costs for public administrations, businesses and citizens, through more efficient delivery of public services<sup>77</sup>.

**Common interoperability framework:** according to the European Interoperability Framework (2004), this covers the set of standards and guidelines that describe the way in which organisations have agreed, or should agree, to interact with each other. This should include technical requirements, rules of co-operation and operational security standards<sup>78</sup>.

#### Comparability

##### **Sub-indicator 6: Adoption of user engagement tools and techniques**

The defined tools and techniques are included in a toolbox developed by the EC under “Theme 4: Improving Service Delivery”<sup>79</sup>. No defined means of measurement exist to date, but the fact that the same tools and techniques are used as a reference in this assessment will facilitate future comparisons.

#### Known limits and bias of data

##### **Sub-indicator 2: Adequacy of interoperability infrastructure**

While the European Interoperability Framework envisages four types of interoperability (organisational, semantic, technological and legal), only technical interoperability is measured. A sample of relevant public authorities is asked for statistical data on the number of operations completed (services provided) with the use of this technical infrastructure.

<sup>77</sup> EC (2010), *Towards Interoperability for European Public Services*, Brussels.

<sup>78</sup> Article 12 of EU Regulation No. 910/2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC.

<sup>79</sup> EC (2015), *Quality of Public Administration: A Toolbox for Practitioners*, EU Publications Office, Luxembourg, <http://ec.europa.eu/esf/main.jsp?catId=575&langId=en>.

### Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment is ensured by sending the assessment to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate the interpretation of the legal provisions and policy framework, SIGMA conducts interviews with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature.

Data received from the government on the performance of service delivery mechanisms is triangulated with other sources of information on each topic (e.g. studies prepared by other public bodies and institutions independent of the government).

### **Principle 4: The accessibility of public services is ensured.**

#### **Indicator 5.4.1: Accessibility of public services**

This indicator measures the extent to which the access to public services is promoted in policy formulation and implementation. It evaluates whether this policy framework leads to measurably easier access for citizens, measures citizens' perceptions of accessibility to public services and tests the actual accessibility of government websites. Dimensions covered are territorial access, access for people with disabilities and access to digital services.

Sub-indicators	Maximum points
<b>Policy framework for accessibility</b>	
1. Existence of policy for the accessibility of public services	3
2. Availability of statistical data on accessibility to public services	3
3. Adequacy of policy framework for public service users with special needs	4
4. Existence of common guidelines for government websites	2
<b>Government performance on accessibility</b>	
5. Compliance of government websites with Web Content Accessibility Guidelines (WCAG)	3
6. Perceived satisfaction with public services across the territory by population (%)	3
7. Perceived accessibility of digital public services by population (%)	3
8. Perceived time and cost of accessing public services by citizens (%)	3
Total points	0-4      5-8      9-12      13-16      17-20      21-24
<b>Final indicator value</b>	<b>0      1      2      3      4      5</b>

#### **Full description of each sub-indicator**

##### Policy framework for accessibility

**Sub-indicator 1      Existence of policy for the accessibility of public services**

<b>Methodology</b>	<p>Expert review of laws, strategy and planning documents. Interviews with government officials responsible for central government services that are locally delivered; accessibility issues (including users with special needs); and administrative simplification. Interviews with advocacy groups for public service users.</p> <p>Points are awarded based on evidence that the government explicitly defines objectives, actions and institutional responsibility (all three are required) for improving access to public services.</p> <p>Evidence on policies on accessibility for users with special needs may include action plans and actions to implement the UN Convention on the Rights of Persons with Disabilities, particularly Article 9 (Accessibility). Evidence on creating single entry points can be sourced from indicator 1 (Citizen-oriented service delivery), sub-indicator 6 (Policy for administrative simplification).</p>
<b>Point allocation</b>	<p>For each of the following three criteria, 1 point is awarded if laws or policies explicitly define objectives, actions and institutional responsibility in that area (total of 3 points):</p> <ul style="list-style-type: none"> <li>• achieving equal territorial access;</li> <li>• increasing the number of public services provided through single entry points for the user (i.e. one-stop shops);</li> <li>• improving accessibility to public services for all users.</li> </ul>
<b>Sub-indicator 2</b>	<p><b>Availability of statistical data on accessibility to public services</b></p>
<b>Methodology</b>	<p>SIGMA and local expert review of national statistics.</p> <p>For <b>territorial accessibility</b>, the sub-indicator tests the public availability (free of charge) of statistical data disaggregated by territorial units (SIGMA does not evaluate the quality of the data itself). Points for availability are awarded per policy area if either of the listed datasets per policy area below is disaggregated to one of the following levels of international classification: Nomenclature of territorial units for statistics (NUTS<sup>80</sup>) 3, NUTS 2, <i>Local Administrative Units</i> (LAU) 2, LAU 1. Points are awarded for frequency if the data is updated at least every two years and if the most recent data covers the current or previous calendar year.</p> <p>Two policy areas are examined:</p> <ul style="list-style-type: none"> <li>• territorial statistics on education: <ul style="list-style-type: none"> <li>○ participation rates of 4-year-olds in education</li> <li>○ pupils in primary and lower secondary education (ISCED 1-2)</li> <li>○ pupils and students in upper secondary and post-secondary non-tertiary education (ISCED 3-4)</li> </ul> </li> <li>• territorial statistics on healthcare: <ul style="list-style-type: none"> <li>○ physicians or doctors (e.g. number of physicians/doctors per 1 000 population)</li> <li>○ dentists</li> <li>○ available beds in hospitals</li> </ul> </li> </ul> <p>For <b>people with disabilities</b>, the indicator tests the public availability (free of charge) of national statistical data for this policy domain. A point is awarded if at</p>

<sup>80</sup>

According to the French acronym: *Nomenclature des unités territoriales statistiques* (NUTS).

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	<p>least two of the statistics listed below are publicly available and the datasets are no older than the four years preceding the assessment year (e.g. if the assessment year is 2017, data should cover 2013, 2014, 2015, 2016 or 2017). Statistics on people with disabilities and access to services:</p> <ul style="list-style-type: none"> <li>• prevalence of different types of disabilities among the population</li> <li>• barriers to access to education for people with disabilities</li> <li>• barriers to access to healthcare for people with disabilities</li> <li>• barriers to access to general administrative services for people with disabilities</li> </ul>
Point allocation	<p>Points are awarded for each of the following criteria in the three areas (total of 3 points):</p> <ul style="list-style-type: none"> <li>• territorial access to education: <ul style="list-style-type: none"> <li>○ <u>at least one</u> of the datasets listed in the methodology is publicly available (0.5 points);</li> <li>○ <u>the dataset</u> is updated at least every two years (0.5 points).</li> </ul> </li> <li>• territorial access to healthcare: <ul style="list-style-type: none"> <li>○ at least one of the datasets listed in the methodology is publicly available (0.5 points);</li> <li>○ the dataset is updated at least every two years (0.5 points).</li> </ul> </li> <li>• people with disabilities and access to services: <ul style="list-style-type: none"> <li>○ at least two of the statistics enlisted in the methodology are publicly available and sufficiently recent (1 point).</li> </ul> </li> </ul>
<b>Sub-indicator 3</b>	<b>Adequacy of policy framework for public service users with special needs</b>
Methodology	<p>Expert review of laws, reports, strategy and planning documents. Interviews with government officials responsible for public service accessibility. Interviews with advocacy groups for people with disabilities.</p> <p>Assessment of the policy framework covers four aspects referred to in Article 9 (Accessibility) of the UN Convention on the Rights of Persons with Disabilities:</p> <ul style="list-style-type: none"> <li>• Sign language is officially recognised as equivalent to the official language(s);</li> <li>• Mandatory accessibility standards guide the construction or retrofitting of public sector buildings and related facilities (for example access paths). Laws, regulations and building codes should, at a minimum, include provisions to remove barriers for people with reduced mobility (e.g. wheelchair access) and people with visual impairments (e.g. Braille signage, audible guidance);</li> <li>• Central guidance and training capacities should be available to train service providers on how to serve public service users with special needs;</li> <li>• Plain language is promoted or required in written communications by central government, in print and online. This should include explicit guidance and recommendations on how to write texts (information brochures, web pages, forms) in style and language that are easy to understand.</li> </ul> <p>Points are awarded regardless of the status of ratification or implementation of the UN Convention, provided there is explicit evidence.</p>
Point allocation	<p>For each of the following four criteria, 1 point is awarded (total of 4 points):</p> <ul style="list-style-type: none"> <li>• sign language is officially recognised;</li> <li>• buildings and related facilities are subject to mandatory accessibility standards;</li> </ul>

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	<ul style="list-style-type: none"> <li>central guidance or training capacities exist outlining how to improve access for public service users with special needs;</li> <li>plain language is promoted.</li> </ul>
<b>Sub-indicator 4</b>	<b>Existence of common guidelines for government websites</b>
Methodology	<p>Expert review of laws and policies that promote common guidelines for central government websites. Two criteria are assessed:</p> <ul style="list-style-type: none"> <li>Written guidelines for content (e.g. minimum information contained on any website) and format (e.g. structure of websites, accessibility, visual design and responsiveness to user devices) have been drawn up;</li> <li>Central government websites are required to comply with the Web Content Accessibility Guidelines (WCAG) 2.0 AA standard (ISO 40500) or an equivalent national standard.</li> </ul>
Point allocation	<p>For each of the following two criteria, 1 point is awarded (total of 2 points):</p> <ul style="list-style-type: none"> <li>Common content and design guidelines exist for government websites;</li> <li>WCAG is a mandatory requirement.</li> </ul>
<b>Government performance on accessibility</b>	
<b>Sub-indicator 5</b>	<b>Compliance of government websites with Web Content Accessibility Guidelines (WCAG)</b>
Methodology	<p>Government websites are tested for compliance with WCAG 2.0 AA, which is the equivalent of ISO 40500. Manual testing using the resource <a href="http://wave.webaim.org">http://wave.webaim.org</a> will be performed. The testing requires one-by-one processing of website URLs and calculation of sub-indicator score.</p> <p>The test sample will be of the main landing page (in the official national language) of each of the following websites (where they exist):</p> <ul style="list-style-type: none"> <li>national government online portal;</li> <li>government public services portal (if different from the previous);</li> <li>central government ministries: either manual testing of five selected central government ministries (responsible for: healthcare, education, justice, interior affairs and economy) or automated testing of each central government ministry;</li> <li>sample of three central government agencies: national tax administration, national statistical office and telecommunications regulator. Where an agency does not exist, it can be replaced by the national healthcare fund or the national employment service provider.</li> </ul> <p>The sample of websites is tested using the online tool. For each website, the number of errors (red colour) under WCAG 2.0 AA is recorded. Each website receives an interim score, depending on the number of errors recorded:</p> <ul style="list-style-type: none"> <li>3 points = 0-9 errors</li> <li>2 points = 10-19 errors</li> <li>1 point = 20-29 errors</li> <li>0 points = 30 errors or more</li> </ul> <p>The average of all interim scores is the sub-indicator score.</p>

Point allocation	<ul style="list-style-type: none"> <li>• 3 points = average of 0-9 errors</li> <li>• 2 points = average of 10-19 errors</li> <li>• 1 point = average of 20-29 errors</li> <li>• 0 points = average of 30 errors or more</li> </ul>
<b>Sub-indicator 6</b>	<b>Perceived satisfaction with public services across the territory by population (%)</b>
Methodology	<p>Analysis of responses to a Balkan Barometer survey, or similar, by a representative sample of citizens who have been in contact with central government services in the last year. The respondents are asked “Could you please tell me how satisfied you are with each of the following in your place of living?”</p> <p>Assessors calculate the percentage of respondents who answered “mostly satisfied” or “completely satisfied” in relation to: “Public services in general”. General satisfaction is taken as a proxy measure of territorial accessibility.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = 60%-100%</li> <li>• 2 points = 45%-59.99%</li> <li>• 1 point = 30%-44.99%</li> <li>• 0 points = 0%-29.99%</li> </ul>
<b>Sub-indicator 7</b>	<b>Perceived accessibility to digital public services by population (%)</b>
Methodology	<p>Analysis of responses to a Balkan Barometer survey, or similar, by a representative sample of citizens who have been in contact with central government services in the last year. The respondents are asked: “Could you please tell me how satisfied you are with each of the following in your place of living?”</p> <p>Assessors calculate the percentage of respondents who answered “mostly satisfied” or “completely satisfied” in relation to: “Accessibility to public services via a digital channel”. Only citizens who have been in contact with central government services the past year are included.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = 65%-100%</li> <li>• 2 points = 50%-64.99%</li> <li>• 1 point = 35%-49.99%</li> <li>• 0 points = 0%-34.99%</li> </ul>
<b>Sub-indicator 8</b>	<b>Perceived time and cost of accessing public services by citizens (%)</b>
Methodology	<p>Analysis of responses to a Balkan Barometer survey, or similar, by a representative sample of citizens who have been in contact with central government services in the last year. The respondents are asked: “How would you grade the following issues?”</p> <p>Assessors calculate the percentage of respondents who answer 4 and 5 in relation to each of two questions: “Time required to obtain public services” and “Price of public services”.</p>
Point allocation	<p>Points are awarded for each of the two criteria (total of 3 points):</p> <ul style="list-style-type: none"> <li>• “How would you grade the time required to obtain public services (police, health system, judiciary, township, etc.)?”: <ul style="list-style-type: none"> <li>○ 1.5 points = 70%-100%</li> <li>○ 1 point = 55%-69.99%</li> </ul> </li> </ul>

- 0.5 points = 40%-54.99%
    - 0 points = below 40%
  - “How would you grade the price of public services (e.g. issuance of personal documents, judiciary costs, etc.)?”:
      - 1.5 points = 70%-100%
      - 1 point = 55%-69.99%
      - 0.5 points = 40%-54.99%
      - 0 points = below 40%

#### Definitions of key terms and official data classifications used (if applicable)

**Web Content Accessibility Guidelines (WCAG) 2.0**<sup>81</sup>: set of technical standards for web developers that sets out a single shared standard for web content accessibility.

**Accessibility of public services**: set of policies and activities of public institutions that guarantees equal and easy access to public services without discrimination. Accessibility comprises the following dimensions that should be taken into account jointly: 1) a territorial network of service providers; 2) cost and administrative burden relating to access to services; 3) timeliness of service provision; and 4) necessary mechanisms and preconditions facilitating access to services for users with special needs (e.g. people with disabilities).

**One-stop shop**: contact point where people and businesses can obtain all the answers to their queries in one location. One-stop shops are primarily designed to provide integrated and seamless services with as few and as easily accessible points of contacts with clients as possible<sup>82</sup>. They may operate as physical locations or in electronic form, as web portals providing integrated access to multiple public services<sup>83</sup>. For the purposes of this assessment, SIGMA adds the condition that one-stop shops provide services to at least two government organisations.

**Classification of Territorial Units for Statistics**: known by its French acronym, NUTS<sup>84</sup>, this is a geocode standard for referencing the subdivisions of countries for statistical purposes, both within the European Union and also in candidate and European Free Trade Association countries. There are three hierarchical levels of NUTS (NUTS 1, NUTS 2 and NUTS 3), which progress from less to more granular. Two other more detailed levels of local administrative units (LAU 1 and LAU 2), serve as basic components of NUTS. Not all countries report at all levels, nor do the levels necessarily correspond to in-country administrative divisions.

**International Standard Classification of Education (ISCED)**: statistical framework for organising information on education, maintained by the United Nations Educational, Scientific and Cultural Organization (UNESCO).

<sup>81</sup> <http://www.w3.org/TR/WCAG20/>.

<sup>82</sup> Malyshev, N. (2004), *The Evolution of Regulatory Policy in OECD Countries*, OECD Publishing, Paris, <https://www.oecd.org/gov/regulatory-policy/41882845.pdf>.

<sup>83</sup> OECD (2003), *From Red Tape to Smart Tape: Administrative Simplification in OECD Countries*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264100688-en>.

<sup>84</sup> *Nomenclature des unités territoriales statistiques* (NUTS).

## Comparability

### **Sub-indicator 2: Availability of statistical data on accessibility to public services**

Availability of territorial statistics in the selected areas can be directly compared to the EU and EU Accession candidate countries and potential candidates, because this element uses official Eurostat data classifications<sup>85</sup>.

### **Sub-indicator 3: Adequacy of policy framework for public service users with special needs**

Evidence for the existence of policies on two components (sign language and buildings) is collected by an NGO for all EU countries and for some non-EU countries (Iceland, the former Yugoslav Republic of Macedonia, Liechtenstein, Montenegro, Norway, Serbia and Turkey<sup>86</sup>). This facilitates data collection and comparisons.

## Known limits and bias of data

### **Sub-indicator 5: Compliance of government websites with Web Content Accessibility Guidelines (WCAG)**

General satisfaction with public services is taken as a proxy measure of territorial accessibility of services. While this is true, other factors will also influence satisfaction with public services, so the precision of this measurement is low.

### **Sub-indicator 7: Perceived accessibility to digital public services by population (%)**

People's perceptions of the time required to obtain public services and the price levels would ideally be combined with more objective benchmarks. Where such measures exist, SIGMA will use them in the analysis.

## Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment is ensured by sending the assessment to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions and the policy framework, SIGMA conducts interviews with NGOs, academics and other stakeholders, as well as analysis of relevant jurisprudence and academic literature.

Survey data received from the Balkan Barometer annual survey is checked by SIGMA in terms of compliance with the predefined methodology of the survey. SIGMA also triangulates this data by searching for other sources of information on each topic (e.g. studies prepared by other public bodies and institutions independent of the government).

<sup>85</sup> <http://ec.europa.eu/eurostat/web/regions/data/main-tables>.

<sup>86</sup> <http://www.disability-europe.net/>.

# 6

## Public Financial Management

## PUBLIC FINANCIAL MANAGEMENT

### Budget management

**Principle 1: The government publishes a medium-term budgetary framework on a general government basis that is founded on credible forecasts and covers a minimum period of three years; all budget organisations operate within it.**

#### Indicator 6.1.1: Quality of the medium-term budgetary framework

This indicator measures how well the medium-term budgetary framework (MTBF) is established as a fiscal plan of the government, focusing on the process of budget preparation and four areas that influence the quality of the budget documents. A good MTBF should increase transparency in budget planning, contribute more credible forecasts and ultimately lead to a better general government budget balance.

Sub-indicators	Maximum points					
1. Strength of the medium-term budgetary framework	12					
2. Strength of the fiscal rules	5					
3. Credibility of medium-term revenue plans (%)	4					
4. Credibility of medium-term expenditure plans (%)	4					
Total points	0-3	4-8	9-13	14-18	19-22	23-25
Final indicator value	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

#### Full description of each sub-indicator

Sub-indicator 1	Strength of the medium-term budgetary framework
Methodology	Review of documentation for the preparation and publication of the MTBF and the data in the budget bill for the first MTBF year.
Point allocation	<p>Points are awarded for each of the following eight criteria (total of 12 points):</p> <ul style="list-style-type: none"> <li>• The MTBF is formally adopted by the government on an annual basis for a minimum of three years and published before the annual budget bill is presented to the parliament (2 points);</li> <li>• The parliament discusses the MTBF or a pre-budget report (or similar), at least at the level of the budget and finance committee, before it receives the annual budget proposal (1 point);</li> <li>• The MTBF covers revenue and expenditure plans for the whole general government sector (1 point);</li> <li>• The MTBF includes total costs of planned funding under the Instrument for Pre-accession Assistance (1 point);</li> <li>• The MTBF establishes ceilings for each year for first-level budget organisations or ministries or sectors within the government (2 points);</li> </ul>

	<ul style="list-style-type: none"> <li>• The expenditure ceilings established in the MTBF are respected in the annual budget bill, with no more than 2% variation from the ceilings (1 point);</li> <li>• The MTBF includes quantitative fiscal targets on a general government basis for at least the budget year and the following two fiscal years (2 points);</li> <li>• The MTBF includes sector-based policy information, including non-financial performance information and sector expenditure plans (2 points).</li> </ul>
<b>Sub-indicator 2</b>	<b>Strength of the fiscal rules</b>
Methodology	Review of data from the Ministry of Finance (MoF), legislation, the medium-term expenditure plans, reports of a fiscal council and reports of the supreme audit institution (SAI).
Point allocation	<p>Points are assigned for each of the following four criteria (total of 5 points):</p> <ul style="list-style-type: none"> <li>• The government has established clear quantitative fiscal rules at least for the total levels of public debt level and the deficit (1 point);</li> <li>• The fiscal rules for public debt and deficit are defined in a law with strict correction procedures (1 point);</li> <li>• Within the last two fiscal years, the government has not violated the fiscal rules, whether they are set in a law or as a written political commitment (they may be stipulated in the MTBF, government work programme or other similar formal document) (2 points);</li> <li>• An authority independent of the government, such as a fiscal council, reviews the MTBF and budget proposals, including the enforcement of the fiscal rules, and publishes its report before the parliament adopts the annual budget bill (1 point).</li> </ul>
<b>Sub-indicator 3</b>	<b>Credibility of medium-term revenue plans (%)</b>
Methodology	The indicator measures the percentage difference between the planned revenues in the MTBF approved two years before the latest full calendar year and the outturn of the latest full calendar year.
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = less than 2%</li> <li>• 3 points = 2%-4.99%</li> <li>• 2 points = 5%-9.99%</li> <li>• 1 point = 10%-15%</li> <li>• 0 points = more than 15% or no MTBF exists</li> </ul>
<b>Sub-indicator 4</b>	<b>Credibility of medium-term expenditure plans (%)</b>
Methodology	The indicator measures the percentage difference between the planned expenditure in the MTBF approved two years before the latest full calendar year and the outturn of the latest full calendar year.
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = less than 2%</li> <li>• 3 points = 2%-4.99%</li> <li>• 2 points = 5%-9.99%</li> <li>• 1 point = 10%-15%</li> <li>• 0 points = more than 15% or no MTBF exists</li> </ul>

## Definitions of key terms and official data classifications used (if applicable)

**Medium-term budgetary framework (MTBF):** institutional policy instrument adopted by the government that allows the extension of the horizon for fiscal policy making beyond the annual budgetary calendar. It might include planning horizons of different lengths (e.g. three or four years). It usually relates to all sectors of general government and provides relevant targets (expenditure ceilings) for all of them<sup>87</sup>.

**Fiscal rules:** institutional mechanisms aimed at supporting fiscal credibility and discipline. Fiscal rules primarily include restrictions on budget deficits, the level of public debt or government expenditure, and other constraints on fiscal policy<sup>88</sup>.

**Budget organisation:** public body having a separate financial plan.

**First-level budget organisation:** budget organisation that receives funds directly from the state budget and is responsible for distribution of funds to any subordinated budget organisations.

## Comparability

### Sub-indicator 1: Strength of the medium-term budgetary framework

The EC has developed an index for EU member countries measuring the quality of the MTBF. It measures 1) the existence of a domestic medium-term framework; 2) the level of connectedness between the multi-annual budgetary targets and the preparation of the annual budget; 3) the degree of involvement of national parliaments in the preparation of the medium-term budgetary plans; 4) the existence of co-ordination mechanisms between general government levels prior to setting the medium-term budgetary targets for all government tiers; and 5) the existence of monitoring and enforcement mechanisms of multi-annual budgetary targets<sup>89</sup>.

### Sub-indicator 2: Strength of the fiscal rules

The EC has collected data on fiscal rules in force since 1990 across EU countries. The fiscal rule strength index (FRSI) developed by DG Economic and Financial Affairs measures the following for fiscal rules; 1) legal base; 2) binding character; 3) monitoring and enforcement bodies; 4) correction mechanisms; and 5) resilience to shocks<sup>90</sup>.

## Known limits and bias of data

### Sub-indicator 2: Strength of the fiscal rules

The sub-indicator does not assess whether the fiscal rules are conducive to achieving the government's policy objectives, merely whether the rules are clearly defined, established in law and not violated.

<sup>87</sup> EC (2015), *Medium-Term Budgetary Frameworks in the EU Member Countries*, Discussion Paper 21, Brussels.

<sup>88</sup> Kumar, M. et al. (2009), *Fiscal Rules: Anchoring Expectations for Sustainable Public Finances*, IMF Staff Paper, IMF, Washington DC; Philippe Burger and Marina Marinkov (2012), "Fiscal rules and regime-dependent fiscal reaction functions: The South African case", *OECD Journal on Budgeting*, Vol. 12/1, <http://dx.doi.org/10.1787/budget-12-5k9czxjth7tg>.

<sup>89</sup> [https://ec.europa.eu/info/business-economy-euro/indicators-statistics/economic-databases/fiscal-governance-eu-member-states/medium-term-budgetary-framework\\_en](https://ec.europa.eu/info/business-economy-euro/indicators-statistics/economic-databases/fiscal-governance-eu-member-states/medium-term-budgetary-framework_en).

<sup>90</sup> [http://ec.europa.eu/info/business-economy-euro/indicators-statistics/economic-databases/fiscal-governance-eu-member-states/numerical-fiscal-rules-eu-member-countries\\_en](http://ec.europa.eu/info/business-economy-euro/indicators-statistics/economic-databases/fiscal-governance-eu-member-states/numerical-fiscal-rules-eu-member-countries_en).

### Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment and the quantitative data is ensured by sending the assessment to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature.

Quantitative data on the credibility of the MTBF received from the government is triangulated with other sources of information (e.g. studies prepared by other public bodies and institutions independent of the government).

## **Principle 2: The budget is formulated in line with the national legal framework, with comprehensive spending appropriations that are consistent with the medium-term budgetary framework and are observed.**

### Indicator 6.2.1: Quality of the annual budget process and budget credibility

This indicator analyses the process of budget preparation and the level of transparency and quality of the budget documents. Quality parameters include the link between the multi-annual and annual budget, the budget preparation process, selection of priorities for new expenditures, comprehensiveness and transparency of budget documentation, scrutiny and oversight of the budget proposal and rules for in-year budget adjustment.

Sub-indicators	Maximum points
1. Operational alignment between the MTBF and the annual budget process	4
2. Reliability of the budget calendar	4
3. Transparency of the budget proposal before its adoption in parliament	8
4. Quality in the budgeting of capital investment projects	5
5. Parliamentary scrutiny of the annual budget	5
6. Transparency and predictability of procedures for in-year budget adjustments	4
7. Credibility of revenue plans in the annual budget (%)	4
8. Credibility of expenditure plans in the annual budget (%)	4
Total points	0-6      7-13      14-20      21-26      27-32      33-38
<b>Final indicator value</b>	<b>0      1      2      3      4      5</b>

Full description of each sub-indicator	
<b>Sub-indicator 1</b>	<b>Operational alignment between the MTBF and the annual budget process</b>
Methodology	Review of the MTBF adopted during the last calendar year and the annual budget bill for the ongoing calendar year, including available supporting material.
Point allocation	<p>For each of the following four criteria, 1 point is awarded (total of 4 points):</p> <ul style="list-style-type: none"> <li>First-level budget organisations provide comprehensive inputs to both the MTBF and the annual budget proposal (i.e. covering complete budget needs);</li> <li>The government approves expenditure ceilings for first-level budget organisations or ministries before the budget organisations are required to submit their annual budget proposals;</li> <li>The aggregate ceiling for expenditure established in the MTBF is not exceeded in the annual budget bill;</li> <li>The sector ceilings established in the MTBF are maintained in the annual budget bill, with no more than 2% variation from the ceilings).</li> </ul>
<b>Sub-indicator 2</b>	<b>Reliability of the budget calendar</b>
Methodology	<p>Review of legislation for the budget calendar and the actual practice followed during the latest calendar year.</p> <p>To assess whether the official budget calendar has been respected assessors obtain documented evidence or confirmation by the MoF to verify cases where the legally established budget calendar was not respected.</p>
Point allocation	<p>Points are awarded for each of the following three criteria (total of 4 points):</p> <ul style="list-style-type: none"> <li>The annual budget calendar is fixed in legislation (1 point);</li> <li>Budget organisations have at least six weeks to prepare their budget following the applicable instructions (1 point);</li> <li>The official budget calendar has been respected during the latest full calendar year (2 points).</li> </ul>
<b>Sub-indicator 3</b>	<b>Transparency of the budget proposal before its adoption in parliament</b>
Methodology	Review of the documentation submitted to the parliament and published before the parliamentary debates either as part of the annual budget bill or as published annexes and other supporting material.
Point allocation	<p>For each of the following eight criteria, 1 point is awarded (total of 8 points):</p> <ul style="list-style-type: none"> <li>The budget documentation sets out the macroeconomic and fiscal assumptions on which the budget is based;</li> <li>The budget documentation provides, on the basis of the European System of National and Regional Accounts (ESA), medium-term projections for general government balance, revenue and expenditure;</li> <li>The budget documentation indicates the latest estimates of the budget balance, revenue and expenditure of the current year for comparison;</li> <li>The budget documentation links appropriations to administrative units (first-level budget organisations at a minimum);</li> </ul>

	<ul style="list-style-type: none"> <li>• The budget documentation provides information on new policy initiatives;</li> <li>• The budget documentation provides information on contingent liabilities;</li> <li>• The budget documentation provides long-term projections (five years or more) for at least the two largest expenditure areas;</li> <li>• The budget documentation presents links between the budget and the government's policy objectives for the upcoming year and provides non-financial performance information.</li> </ul>
<b>Sub-indicator 4</b>	<b>Quality in the budgeting of capital investment projects</b>
Methodology	<p>Review of the legislation for budget management, annual budget bills, annual financial statements and the annual SAI reports, as well as capital investment manuals, if available.</p> <p>An independent appraisal procedure of capital projects must include an independent assessment of the accuracy of feasibility analyses, and must be conducted independently from the organisation preparing and/or implementing the project.</p>
Point allocation	<p>For each of the following five criteria, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• Planning of capital projects is an integral part of the annual budget preparation cycle;</li> <li>• Multi-annual commitments (funding needs for future years) of capital;</li> <li>• Capital projects of more than EUR 1 million included in the budget have passed through an independent appraisal procedure;</li> <li>• Capital projects of more than EUR 1 million included in the budget are accompanied by an estimate of their recurrent cost (expenditure needed for operating and maintaining the investment);</li> <li>• The outturn of capital investment in the annual budget was between 80% and 105% of the approved budget.</li> </ul>
<b>Sub-indicator 5</b>	<b>Parliamentary scrutiny of the annual budget</b>
Methodology	Review of the legislation for budget management, annual budget bills, annual financial statements and the annual SAI reports.
Point allocation	<p>For each of the following five criteria, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• The parliament discusses the MTBF or a pre-budget report or similar, at least at the level of the budget and finance committee, before it receives the annual budget proposal;</li> <li>• The sector committees of the parliament provide written inputs to the budget and finance committee before the debate is initiated in the plenary;</li> <li>• The parliament has two months or more to debate and vote the annual budget bill;</li> <li>• The parliament has three months or more to debate and vote the annual budget bill;</li> <li>• Before the vote on the annual budget bill, the parliament receives a report on the budget proposal from a professional body independent of the government (fiscal council or similar).</li> </ul>
<b>Sub-indicator 6</b>	<b>Transparency and predictability of procedures for in-year budget adjustments</b>

Methodology	Review of the legislation for budget management, annual budget bills, annual financial statements and the annual SAI reports.
Point allocation	<p>For each of the following four criteria, 1 point is awarded (total of 4 points):</p> <ul style="list-style-type: none"> <li>• There are clear rules restricting in-year budget adjustments by the government to no more than 5% between individual budget lines;</li> <li>• The national rules on restrictions with in-year budget adjustments by the government are respected (i.e. the SAI does not report any violations to in-year budget adjustment rules);</li> <li>• The annual financial statement of the government reports on all variations that were done by the government;</li> <li>• No more than two budget amendments by the parliament are passed annually.</li> </ul>
<b>Sub-indicator 7</b>	<b>Credibility of revenue plans in the annual budget (%)</b>
Methodology	The indicator measures the percentage difference between the planned revenue in the original annual budget bill as adopted by the parliament and the outturn of actual revenues collected during the latest full calendar year. The analysis is carried out based on the data of the three most recent years. The percentage difference needs to be within the specific range in at least two out of the three years.
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = less than 2%</li> <li>• 3 points = 2%-4.99%</li> <li>• 2 points = 5%-7.99%</li> <li>• 1 point = 8%-12%</li> <li>• 0 points = more than 12%, or the parliament failed to adopt the budget.</li> </ul>
<b>Sub-indicator 8</b>	<b>Credibility of expenditure plans in the annual budget (%)</b>
Methodology	The indicator measures the percentage difference between the planned expenditure in the original annual budget bill as adopted by the parliament and the outturn of the budget expenditure during the latest full calendar year. The analysis is carried out based on the data from the three most recent years. The percentage difference needs to be within the specific range in at least two out of the three years.
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = less than 2%</li> <li>• 3 points = 2%-4.99%</li> <li>• 2 points = 5%-7.99%</li> <li>• 1 point = 8%-12%</li> <li>• 0 points = more than 12%, or the parliament failed to adopt the budget.</li> </ul>

Definitions of key terms and official data classifications used (if applicable)

**Budget calendar:** binding procedure set out in legislation or internal regulations that specify the timeline for preparation of the budget proposal until it is approved by the parliament. The budget calendar indicates deadlines and assigns responsibilities for 1) inputs to the proposal by the institutions involved; 2) intra-governmental consultations; and 3) preparation and adoption of the final proposal.

**Capital investment project:** long-term investment project requiring allocation of public funds for acquiring, constructing, renovating or improving a capital asset (e.g. land or public infrastructure).

Known limits and bias of data

**Sub-indicator 6: Transparency and predictability of procedures for in-year budget adjustments**

**Sub-indicator 7: Credibility of revenue plans in the annual budget (%)**

**Sub-indicator 8: Credibility of expenditure plans in the annual budget (%)**

Indicators relating to the credibility of the budget do not take into account extraordinary external events (e.g. natural disasters) that may make significant budgetary adjustments necessary, despite generally accurate and correct budgetary planning. Therefore, SIGMA always investigates and explains the reasons for low values of budget credibility indicators.

Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment and quantitative data is ensured by sending the assessment to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature.

Quantitative data on the credibility of the revenue and expenditure plans received from the government is triangulated with other sources of information (e.g. studies prepared by other public bodies and institutions independent of the government).

**Principle 3: The ministry of finance (or authorised central treasury authority) centrally controls disbursement of funds from the treasury single account and ensures cash liquidity.**

**Indicator 6.3.1: Reliability of budget execution and accounting practices**

This indicator measures the quality of cash and commitment management, controls in budget execution and accounting practices. These aspects ensure reliable information on government spending and thus a foundation for management decisions on government funds.

Effective cash flow and planning, monitoring, and management of commitments by the treasury facilitate predictability of the availability of funds for budgetary units. Reliable accounting practices that include constant checking and verification of the recording practices of accountants are important to ensure good information for management.

Sub-indicators	Maximum points
1. Presence of a treasury single account (TSA)	2
2. Frequency of revenue transfer to the TSA	1
3. Frequency of cash consolidation	1
4. Credibility of cash flow planning	2
5. Budget classification and chart of accounts	2
6. Frequency of bank-account reconciliation for all central government bank accounts	2
7. Availability of data on the stock of expenditure arrears	2
8. Expenditure arrears (%)	3
Total points	0-1      2-4      5-7      8-10      11-13      14-15
Final indicator value	0      1      2      3      4      5

**Full description of each sub-indicator**

<b>Sub-indicator 1</b>	<b>Presence of a treasury single account (TSA)</b>
Methodology	Review of the national legislation and documentation defining the structure of treasury bank accounts.
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = all central government bank accounts are linked to the TSA and controlled by the MoF/Treasury.</li> <li>• 1 point = fewer than 10 budget organisations are legally mandated to have separate bank accounts not controlled by the MoF/Treasury.</li> <li>• 0 points = ten or more budget organisations have separate bank accounts not controlled by the MoF/Treasury.</li> </ul>
<b>Sub-indicator 2</b>	<b>Frequency of revenue transfer to the TSA</b>

<b>Methodology</b>	<p>Interviews are conducted and independent reports (such as other diagnostics and the SAI reports) are analysed to assess the frequency of government revenue transfer to the TSA and to identify cases where transfers are not made systematically on a daily basis.</p> <p>Use of a TSA, or accounts that are centralised at a single bank, usually the Central Bank, facilitates the consolidation of bank accounts. In case there is no TSA, regular consolidation of multiple bank accounts not held centrally will generally require making timely electronic clearing and payment arrangements with the government's bankers.</p>
<b>Point allocation</b>	<ul style="list-style-type: none"> <li>• 1 point = all entities collecting central government revenue transfer the collections daily into accounts controlled by the treasury.</li> <li>• 0 points = all entities collecting central government revenue do not transfer the collections daily into accounts controlled by the treasury.</li> </ul>
<b>Sub-indicator 3</b>	<b>Frequency of cash consolidation</b>
<b>Methodology</b>	Assessment of data from the MoF/Treasury, verified through interviews and independent reports, such as other diagnostics and the SAI reports.
<b>Point allocation</b>	<ul style="list-style-type: none"> <li>• 1 point = all central government bank balances are consolidated at least on a daily basis.</li> <li>• 0 points = all central government bank balances are not consolidated at least on a daily basis.</li> </ul>
<b>Sub-indicator 4</b>	<b>Credibility of cash flow planning</b>
<b>Methodology</b>	<p>Analysis of collected examples (a minimum of two) of cash flow projections made at the beginning of a year, interviews and independent reports, such as other diagnostics and the SAI reports.</p> <p>This sub-indicator assesses the extent to which budgetary unit commitments and cash flows are forecast and monitored by the MoF. Effective cash flow planning, monitoring, and management by the treasury facilitates predictability of the availability of funds for budgetary units. This will require reliable forecasts of cash inflows and outflows, both routine and non-routine, that are linked to the budget implementation and commitment plans of individual budgetary units.</p>
<b>Point allocation</b>	<p>For each of the following four criteria, 0.5 points is awarded (total of 2 points):</p> <ul style="list-style-type: none"> <li>• Cash flow forecast is prepared for the fiscal year;</li> <li>• Cash flow forecast is prepared on the basis of expenditure and revenue forecasts received from all first-level budget organisations;</li> <li>• Cash flow forecast is updated monthly on the basis of expenditures and revenue forecasts received from all budget organisations;</li> <li>• Cash flow forecasts provide monthly profiles for each first-level budget organisation, broken down between pay, non-pay current, capital and own resources.</li> </ul>
<b>Sub-indicator 5</b>	<b>Budget classification and chart of accounts</b>
<b>Methodology</b>	Review of definitions for budget classification and the chart of accounts. Review of budget reports. The aim is to verify whether a robust and consistent classification

	<p>system in the budget and the accounts allows transactions to be tracked throughout the budget's formulation, execution, and reporting cycle according to administrative unit, economic category, function/sub-function or programme. The Government Finance Statistics (GFS) classification provides a recognised international framework for the economic and functional classification of transactions: revenues and expenditures are broken down into four and three classification levels, respectively. The Classification of the Functions of Government (COFOG) classification is applicable for functions and sub-functions.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = budget formulation, execution, and reporting are based on every level of administrative, economic and functional classification, using functional/sub-functional COFOG standards or a classification that can produce consistent documentation comparable with those standards.</li> <li>• 1 point = budget formulation, execution, and reporting are based on administrative, economic (at least "Group" level of the GFS standard—3 digits) and functional classification (but not sub-functional), using COFOG standards or a classification that can produce consistent documentation comparable with those standards.</li> <li>• 0 points = budget formulation, execution and reporting are not based on administrative, economic (at least "Group" level of the GFS standard—3 digits) and functional classification (but not sub-functional), using COFOG standards or a classification that can produce consistent documentation comparable with those standards.</li> </ul>
<b>Sub-indicator 6</b>	<b>Frequency of bank-account reconciliation for all central government bank accounts</b>
Methodology	<p>The review analyses the procedures applicable to bank account and accounting data reconciliation and seeks evidence (such as internal reports of the treasury) of this taking place in practice. There should be regular and timely comparisons between government bank account (central or commercial) transaction data and government cash books. The results of the comparisons should be reported, and action should be taken to reconcile any differences. Such reconciliation is fundamental to the integrity of the accounting records and the financial statements. Suspense accounts, including sundry deposits/liabilities, should be reconciled on a regular basis and cleared in a timely way. Failure to clear suspense accounts can distort financial reports and provide an opportunity for fraudulent or corrupt behaviour.</p>
Point allocation	<p>For each of the following two criteria, 1 point is awarded (total of 2 points):</p> <ul style="list-style-type: none"> <li>• Reconciliation of bank account and accounting data (general ledger) takes place at least monthly;</li> <li>• There are no suspense accounts or, if these exist, they are cleared at least monthly.</li> </ul>
<b>Sub-indicator 7</b>	<b>Availability of data on the stock of expenditure arrears</b>
Methodology	<p>Review of the annual financial statement/report of the government and in-year budget execution reports. Analysis of SAI reports to seek additional confirmation of whether the data provided by the MoF is credible.</p> <p>A large volume of arrears may indicate a number of different problems, such as inadequate commitment controls, cash rationing, inadequate budgeting for</p>

	contracts, under-budgeting of specific items, and lack of information. Assessors verify that the government's data recording and reporting system analyses payments, legal and contractual payment deadlines, and invoices, including suspensions and rejections, so that arrears can be and are calculated.
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = data on the stock and composition of expenditure arrears is published quarterly, within four weeks of the end of each quarter.</li> <li>• 1 point = data on the stock of expenditure and composition of arrears is published at least annually, and no later than six months after the end of the year.</li> <li>• 0 points = data on the stock and composition of expenditure arrears is not published.</li> </ul>
<b>Sub-indicator 8</b>	<b>Expenditure arrears (%)</b>
Methodology	Review of the annual financial statement of the government. Review of the relevant SAI reports to further verify the information. The level of arrears is expressed as the total stock of expenditure arrears at the end of the year prior to the latest full calendar year as a share of the total budget for that year. The indicator is calculated based on the data provided by the government administration, with review of the relevant SAI and other analytical reports to further verify the information.
Point allocation	<p>A maximum of 3 points is available. The basis is that 1 or 2 points are awarded depending on the percentage of expenditure arrears. In addition, 1 point is dependent on whether data for general government arrears (i.e. disaggregated between local government, social security funds and central government) is published at least annually. However, if the data is not considered reliable by the SAI or relevant international reports, 1 point is deducted:</p> <ul style="list-style-type: none"> <li>• 3 points = below 0.5% and disaggregated data for general government arrears is published annually.</li> <li>• 2 points = below 0.5%</li> <li>• 1 point = 0.5%-2%</li> <li>• 0 points = more than 2%</li> </ul>

#### Definitions of key terms and official data classifications used (if applicable)

**Chart of Accounts (COA):** organised and coded listing of all the individual accounts that are used to record transactions and make up the ledger system<sup>91</sup>.

**Classification of the Functions of Government (COFOG):** detailed classification matching the government expenditure with the purpose for which the funds are used (government objectives, functions and areas of public intervention)<sup>92</sup>.

**Expenditure arrears:** financial obligations that have been incurred by any level of the public sector for which payments have not been made by the due date<sup>93</sup>.

<sup>91</sup> Cooper, J. and S. Pattanayak (2011), *Chart of Accounts: A Critical Element of the Public Financial Management Framework*, International Monetary Fund, Washington DC, <https://www.imf.org/external/pubs/ft/tnm/2011/tnm1103.pdf>.

<sup>92</sup> OECD (2009), *Classification of the Functions of Government (COFOG)*, *Government at a Glance 2009*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264061651-37-en>.

**Government Finance Statistics (GFS):** methodological framework developed by the International Monetary Fund (IMF), providing a uniform approach to fiscal analysis<sup>94</sup>.

**Treasury single account (TSA):** bank account or set of linked accounts through which the government transacts all receipts and payments<sup>95</sup>.

## Comparability

### Sub-indicator 8: Expenditure arrears (%)

The Public Expenditure and Financial Accountability (PEFA) framework for assessing public financial management (PFM) assesses selected countries with regard to the stock of expenditure arrears, as well as procedures and practices relating to expenditure monitoring arrears. Data is available online<sup>96</sup>.

## Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment and quantitative data is ensured by sending the assessment to the state administration for fact-checking. If the national authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature.

Financial data received from the government is triangulated with other sources of information (e.g. studies prepared by other public bodies and institutions independent of the government).

<sup>93</sup> IMF (2014), *Prevention and Management of Government Expenditure Arrears*, Washington DC, <https://www.imf.org/external/pubs/ft/tnm/2014/tnm1403.pdf>.

<sup>94</sup> IMF (2014), *Government Finance Statistics Manual*, Washington DC, <https://www.imf.org/external/Pubs/FT/GFS/Manual/2014/gfsfinal.pdf>.

<sup>95</sup> IMF (2010), *Treasury Single Account: Concept, Design, and Implementation Issues*, Washington DC, <https://www.imf.org/external/pubs/ft/wp/2010/wp10143.pdf>.

<sup>96</sup> [https://pefa.org/assessments/listing?f\[0\]=field\\_assessment\\_region%3A260](https://pefa.org/assessments/listing?f[0]=field_assessment_region%3A260).

**Principle 4: There is a clear debt management strategy in place and implemented so that the country's overall debt target is respected and debt servicing costs are kept under control.**

Indicator 6.4.1: Quality of public debt management	
This indicator measures the procedures and organisation established for the management of public debt and the outcomes achieved, in terms of debt risk mitigation practices, the share of public debt to gross domestic product (GDP), and the difference between public sector debt outturn and target.	
Sub-indicators	Maximum points
1. Existence of requirements and limitations for borrowing in the legal framework	3
2. Existence and minimum content of a public debt management strategy	4
3. Clarity of reporting on public debt	4
4. Risk mitigation in the stock of public debt	6
5. Difference between public sector debt outturn from target (%)	3
6. Public debt as a share of GDP (%)	2
Total points	0-2      3-7      8-12      13-16      17-19      20-22
Final indicator value	0      1      2      3      4      5

Full description of each sub-indicator	
<b>Sub-indicator 1</b>	<b>Existence of requirements and limitations for borrowing in the legal framework</b>
Methodology	Expert review of legislation.
Point allocation	For each of the following three criteria for the legal framework, 1 point is awarded (total of 3 points): <ul style="list-style-type: none"> <li>• Public debt is defined in legislation in line with the ESA 2010 definitions;</li> <li>• Only one single debt management entity (MoF/Treasury) can carry out central government borrowing according to legislation;</li> <li>• The annual budget law defines the limits for annual borrowing and state loan guarantees.</li> </ul>
<b>Sub-indicator 2</b>	<b>Existence and minimum content of a public debt management strategy</b>
Methodology	Expert review of the planning documents for public debt. Interviews with representatives from MoF/Treasury.

Point allocation	<p>For each of the following four criteria, 1 point is awarded (total of 4 points):</p> <ul style="list-style-type: none"> <li>• The public debt management strategy is published every year, either independently or as part of a wider fiscal strategy of the government;</li> <li>• The public debt management strategy includes information about debt developments at all levels of government (including local government and social security funds);</li> <li>• The public debt management strategy includes data about debt developments in previous years and a forecast for at least the next three years;</li> <li>• The government has set clear (numerical) targets for public debt levels for a minimum of three years.</li> </ul>
<b>Sub-indicator 3</b>	<b>Clarity of reporting on public debt</b>
Methodology	Expert review of national reports on public debt.
Point allocation	<p>For each of the following four criteria, 1 point is awarded (total of 4 points):</p> <ul style="list-style-type: none"> <li>• The national report on public debt is published no later than three months after the end of the reporting year;</li> <li>• The national report on public debt provides information on all levels of government (including local government and social security funds);</li> <li>• The national report on public debt provides information on the breakdown of existing stock of debt between currencies, years when debt is maturing and origin (national or foreign);</li> <li>• The national report on public debt explains the reasons for any deviations from the estimates or targets presented in the national debt management strategy.</li> </ul>
<b>Sub-indicator 4</b>	<b>Risk mitigation in the stock of public debt</b>
Methodology	The key aspects of risk mitigation in public debt are analysed by comparing national data to the key thresholds defined. The data provided by the national authorities is verified against the data available from public sources.
Point allocation	<p>For each of the following six criteria, 1 point is awarded (total of 6 points):</p> <ul style="list-style-type: none"> <li>• Local government can only borrow within legally set limits or with the formal consent of the government, and all local government entities report on their debt and borrowing at least twice a year;</li> <li>• All state-owned enterprises (SOEs) report on their debt and borrowing at least twice a year;</li> <li>• A maximum of 10% of the stock of public debt will mature in the next year;</li> <li>• A maximum of 10% of national debt is in foreign currency without being hedged;</li> <li>• The share of floating-rate debt in the stock of total debt is not more than 10%;</li> <li>• National financial reserves equal to at least 10% of general government expenditure exist, and the reserves are liquid.</li> </ul>

<b>Sub-indicator 5</b>	<b>Difference between public sector debt outturn from target (%)</b>
Methodology	The indicator is calculated by comparing the formally established targets for the public debt level for the latest full calendar year and the actual public debt levels at the end of the latest full calendar year.
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = public debt outturn is within the national target.</li> <li>• 2 points = the public debt outturn has exceeded the national target for the year, but not by more than 2 percentage points of GDP.</li> <li>• 1 point = the public debt outturn has exceeded the national target for the year by between 2 and 4 percentage points of GDP.</li> <li>• 0 points = no national targets have been set for public debt, or the outturn is more than 4 percentage points of GDP higher than the target set for the year.</li> </ul>
<b>Sub-indicator 6</b>	<b>Public debt as a share of GDP (%)</b>
Methodology	Public debt is calculated as the total public sector debt level as a percentage of GDP, according to the definitions of ESA 2010. The benchmarks assigned are calculated based on the averages of EU member countries as well as the current averages of EU Accession candidate countries and potential candidates.
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = 60% or less</li> <li>• 1 point = more than 60% and has decreased during the latest full calendar year</li> <li>• 0 points = more than 60% and has increased during the latest full calendar year</li> </ul>

#### Definitions of key terms and official data classifications used (if applicable)

**Public debt:** SIGMA uses the definition in the EU *Statistics Explained* glossary: “General government gross debt, also known as public debt, is the nominal (face) value of total gross debt outstanding at the end of the year and consolidated between and within the government subsectors. It is defined as including outstanding stocks of liabilities in the financial instruments currency and deposits, debt securities and loans at the end of the reference period”<sup>97</sup>. According to the glossary, the general government sector comprises four subsectors: central government, state government, local government and social security funds<sup>98</sup>.

#### Comparability

##### **Sub-indicator 6: Public debt as a share of GDP (%)**

Comparative data on general government debt is available from various sources:

- Eurostat provides up-to-date information on the general government gross debt for EU countries<sup>99</sup>.
- The Global Competitiveness Report collects global data on general government debt<sup>100</sup>.

#### Known limits and bias of data

<sup>97</sup> [http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Government\\_debt](http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Government_debt).

<sup>98</sup> [http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:General\\_government](http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:General_government).

<sup>99</sup> <http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=teina225&plugin=1>.

<sup>100</sup> <https://www.weforum.org/reports/the-global-competitiveness-report-2016-2017-1>.

**Sub-indicator 1: Existence of requirements and limitations for borrowing in the legal framework**

**Sub-indicator 2: Existence and minimum content of a public debt management strategy**

**Sub-indicator 3: Clarity of reporting on public debt**

**Sub-indicator 4: Risk mitigation in the stock of public debt**

**Sub-indicator 5: Difference between public sector debt outturn from target (%)**

**Sub-indicator 6: Public debt as a share of GDP (%)**

This indicator reviews the legislative and policy set-up for debt management, transparency of the information provided about public debt and key aspects of public debt outturns. However, the thresholds established and criteria set do not cover all aspects of good-quality debt management. More detailed standards for this area have been developed, for instance, by the IMF<sup>101</sup>.

**Data validation and quality assurance by SIGMA**

The accuracy of the qualitative assessment and quantitative data is ensured by sending the assessment to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature. Financial data received from the government is triangulated with other sources of information (e.g. studies prepared by other public bodies and institutions independent of the government).

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<sup>101</sup> IMF (2014), Revised Guidelines for Public Debt Management,  
<https://www.imf.org/external/np/pp/eng/2014/040114.pdf>.

**Principle 5: Transparent budget reporting and scrutiny are ensured.**

**Indicator 6.5.1: Transparency and comprehensiveness of budget reporting and scrutiny**

This indicator measures the extent to which the government facilitates external monitoring of the execution of the budget through the publication of relevant information, as well as the credibility of that information and whether it is used effectively to ensure accountability. The degree of budget scrutiny on the basis of the published information is also assessed.

Sub-indicators	Maximum points
<b>Comprehensiveness of published information</b>	
1. Quality of in-year reports of government revenue, expenditure and borrowing	7
2. Quality of the annual financial report of the government	7
3. Quality of annual reports of state-owned enterprises, extra-budgetary funds and local government	5
4. Clarity of national accounting standards and consistency with international standards	4
5. Existence of reporting on fiscal risks identified in the budget	1
<b>Scrutiny and oversight using published information</b>	
6. Quality of the annual financial reporting on the use of public finances	3
7. Timeliness of submission of the SAI report to parliament	2
8. Timeliness of parliamentary discussion on the report of the SAI	3
Total points	0-7      8-12      13-17      18-22      23-27      28-32
<b>Final indicator value</b>	<b>0      1      2      3      4      5</b>

**Full description of each sub-indicator**

<b>Comprehensiveness of published information</b>	
<b>Sub-indicator 1</b>	<b>Quality of in-year reports of government revenue, expenditure and borrowing</b>
Methodology	Expert review of the MoF or government website and in-year reports. Assessors review legislation and conduct interviews with officials from the central budget authority.  Both quarterly and monthly reports are assessed, if applicable.

<p><b>Point allocation</b></p>	<p>Points are awarded for the following ten criteria (total of 7 points):</p> <ul style="list-style-type: none"> <li>• In-year reports of central government revenue, expenditure and borrowing are published quarterly (1 point);</li> <li>• In-year reports of central government revenue, expenditure and borrowing are published monthly (1 point);</li> <li>• The reports are published within four weeks of the month's end (0.5 points);</li> <li>• The reports show the total of all the transactions of all central government bodies, compiled from standard format reports completed by each of the central government bodies for the period (0.5 points);</li> <li>• The reports show data for each ministry and large budget users (0.5 points);</li> <li>• The reports note and explain variations from an original spending and revenue profile published at the start of the year (0.5 points);</li> <li>• On the expenditure side, the reports include future spending commitments (0.5 points);</li> <li>• A comprehensive analysis of budget implementation is prepared at least every six months, and a report is published (1 point);</li> <li>• Quarterly reports of local government financial data are published that provide, at a minimum, information on capital spending, payroll spending, lending and borrowing, and the stock of arrears (1 point);</li> <li>• The quarterly reports of local government financial data are published before the end of the following quarter (0.5 points).</li> </ul>
<p><b>Sub-indicator 2</b></p>	<p><b>Quality of the annual financial report of the government</b></p>
<p><b>Methodology</b></p>	<p>Expert review of the annual financial report published on the MoF or government website to ensure that the report contains total revenue, expenditure and borrowing for central government and revenue and expenditure for each individual central government body. It should also contain, at a minimum, details of capital and current expenditure, and pay and non-pay expenditure.</p>
<p><b>Point allocation</b></p>	<p>For each of the following seven criteria, 1 point is awarded (total of 7 points):</p> <ul style="list-style-type: none"> <li>• The annual financial report is comprehensive at the central government level;</li> <li>• The annual financial report is published within six months of the end of the financial year;</li> <li>• The format of the annual financial report mirrors the presentation format of the budget;</li> <li>• The annual financial report notes and explains variations from the original budget allocation;</li> <li>• The annual financial report or a separate report notes and explains variations for capital investment projects;</li> <li>• The annual financial report contains an analysis of state assets and liabilities, including state guarantees and other contingent liabilities, and information on transfers and disposal is included;</li> <li>• The annual financial report contains non-financial performance information linked with budget envelopes, comparing performance targets with results.</li> </ul>

<b>Sub-indicator 3</b>	<b>Quality of annual reports of state-owned enterprises, extra-budgetary funds and local government</b>
Methodology	Expert review of the annual statements, as well as interviews with officials in the MoF or the responsible ministry to assess the quality of annual reports of SOEs, extra-budgetary funds and local government.
Point allocation	<p>For each of the following five criteria, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• SOEs submit annual audited statements to the MoF or sponsoring ministry within six months of the year's end;</li> <li>• A consolidated report on the financial performance of the SOE sector is published by the central government annually;</li> <li>• Detailed financial reports of all extra-budgetary units are submitted to the MoF within three months of the year's end;</li> <li>• Audited annual financial statements for all local government entities are published within nine months of the year's end;</li> <li>• A consolidated report on the financial position of all local government entities is published at least annually.</li> </ul>
<b>Sub-indicator 4</b>	<b>Clarity of national accounting standards and consistency with international standards</b>
Methodology	Expert review of annual reports to ascertain that national standards for accounting are defined and consistent with international standards and enable the provision of ESA 2010-compliant data.
Point allocation	<p>For each of the following four criteria, 1 point is awarded (total of 4 points):</p> <ul style="list-style-type: none"> <li>• The accounting standards are defined and apply to all general government institutions;</li> <li>• The accounting standards are consistent with international standards, or if not, variations are disclosed and differences explained;</li> <li>• The accounting standards used in preparing annual financial reports are disclosed in notes to the reports;</li> <li>• The accounting standards enable the provision of ESA 2010-compliant data.</li> </ul>
<b>Sub-indicator 5</b>	<b>Existence of reporting on fiscal risks identified in the budget</b>
Methodology	Expert review of relevant documentation and interviews with officials to assess whether fiscal risks have been identified in the budget and are monitored annually.
Point allocation	<ul style="list-style-type: none"> <li>• 1 point = fiscal risks are identified in the budget and are monitored annually.</li> <li>• 0 points = fiscal risks are not identified in the budget or are not monitored annually.</li> </ul>

Scrutiny and oversight using published information	
Sub-indicator 6	<b>Quality of annual financial reporting on the use of public finances</b>
Methodology	Expert review of the annual financial report and the annual report of the SAI to ensure that it is audited by the SAI. The SAI report is used to verify whether the government is providing sufficient information on budget spending and if reporting on budget execution is accurate.
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = the SAI has given an unqualified opinion on the annual financial report, and the SAI report is published before the end of the following calendar year.</li> <li>• 1 point = the SAI report is published before the end of the following calendar year but gives a qualified opinion on the annual financial report.</li> <li>• 0 points = the report of the SAI does not exist, is not published before the end of the following calendar year, does not include an opinion or provides an adverse opinion or a disclaimer.</li> </ul>
<b>Sub-indicator 7 Timeliness of submission of the SAI report to parliament</b>	
Methodology	Review of the website of the parliament and/or the SAI report to identify the date that the annual report is submitted to the national parliament after being audited by the SAI.
Point allocation	For each of the following two criteria, 1 point is awarded (total of 2 points): <ul style="list-style-type: none"> <li>• The SAI report is presented to the parliament with the annual financial statement;</li> <li>• The SAI report is published within one year after the end of the budget year audited.</li> </ul>
<b>Sub-indicator 8 Timeliness of parliamentary discussion on the report of the SAI</b>	
Methodology	Expert review of the records of a parliamentary debate obtained from the website of the parliament or through interviews with relevant officials, to determine whether the report of the SAI is discussed by the parliament (in committee or plenary session) before the end of the year.
Point allocation	For each of the following three criteria, 1 point is awarded (total of 3 points): <ul style="list-style-type: none"> <li>• The annual SAI report is discussed in at least one parliamentary committee;</li> <li>• The annual SAI report is presented at the plenary of the parliament;</li> <li>• The annual SAI report is presented to the parliament before the parliament votes on the forthcoming annual budget bill or before the end of the calendar year (whichever comes earlier).</li> </ul>
Definitions of key terms and official data classifications used (if applicable)	

**State-owned enterprise (SOE):** corporate entity recognised by national law as an enterprise in which the state exercises ownership. This includes joint stock companies, limited liability companies and partnerships limited by shares. Moreover, statutory corporations with their legal personality established through specific legislation should be considered SOEs if their purpose and activities, or

parts of their activities, are of a largely economic nature<sup>102</sup>.

**Extra-budgetary funds (EBF):** general government transactions, often with separate banking and institutional arrangements, that are not included in the annual state (federal) budget law and the budgets of sub-national levels of government. EBF may include:

- Funds managed centrally by the MoF or the treasury: the motivation for establishing such funds is, most often, to avoid the restrictions of the budget process (e.g. as in the case of centrally managed revolving funds);
- Funds managed by line ministries and/or other spending agencies: in addition to the motivation above, these funds may be established to avoid expenditure controls applied to budget organisations;
- Funds managed by autonomous agencies;
- Funds managed by local government entities<sup>103</sup>.

**ESA 2010:** European System of National and Regional Accounts, developed by Eurostat<sup>104</sup>.

## Comparability

### **Sub-indicator 8: Timeliness of parliamentary discussion on the report of the SAI**

Although not directly comparable, the Open Budget Survey (OBS) assesses the strength of the legislature and the SAI in overseeing the budget process. The OBS analyses whether any committee of the legislature holds public hearings to review and scrutinise audit reports.

OBS is run by the International Budget Partnership, and results are published annually on the basis of a survey conducted among civil society organisations<sup>105</sup>.

## Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment (e.g. the review of regulatory framework and reports, and the review of the reporting process) is ensured by sending the assessment to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature.

<sup>102</sup> OECD (2015), *OECD Guidelines on Corporate Governance of State-Owned Enterprises*, 2015 Edition, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264244160-en>.

<sup>103</sup> IMF (2010), *Extrabudgetary Funds*, Washington, DC, <https://www.imf.org/external/pubs/ft/tnm/2010/tnm1009.pdf>.

<sup>104</sup> [http://ec.europa.eu/eurostat/cache/metadata/Annexes/nasa\\_10\\_f\\_esms\\_an1.pdf](http://ec.europa.eu/eurostat/cache/metadata/Annexes/nasa_10_f_esms_an1.pdf).

<sup>105</sup> <http://www.internationalbudget.org/opening-budgets/open-budget-initiative/open-budget-survey/research-resources/methodology/>.

## Internal control and audit

**Principle 6: The operational framework for internal control defines responsibilities and powers, and its application by the budget organisations is consistent with the legislation governing public financial management and the public administration in general.**

### Indicator 6.6.1: Adequacy of the operational framework for internal control<sup>106</sup>

This indicator measures the extent to which the operational framework for internal control (financial management and control) is established, in terms of policy and strategic content, the regulatory framework, and adequate review and reporting mechanisms.

A separate indicator measures the implementation of the operational framework for internal control.

Sub-indicators	Maximum points
1. Existence of policy for the development of internal control	6
2. Completeness of the regulatory framework for internal control	5
3. Comprehensiveness and regularity of the annual review and reporting on internal control	5
4. Alignment between national budget management and control systems and those for EU-funded programmes	4
Total points	0-2      3-6      7-10      11-14      15-17      18-20
Final indicator value	<b>0      1      2      3      4      5</b>

### Full description of each sub-indicator

Sub-indicator 1	Existence of policy for the development of internal control
Methodology	Review of formally adopted policy plans (planning documents) in the area of internal control. The plan to develop internal control may be an independent policy plan or part of other planning documents, such as for Public Internal Financial Control (PIFC) or PFM.

<sup>106</sup> Also defined as financial management and control (FMC) in the national laws and strategies, as well as in the documents related to Chapter 32 of EU accession negotiations.

Point allocation	<p>Points are awarded for each of the following five criteria (total of 6 points):</p> <ul style="list-style-type: none"> <li>• A formally adopted plan exists to develop internal control (1 point);</li> <li>• The plan to develop internal control includes reforms and changes to enhance managerial accountability (including accountability mechanisms and objective setting) (1 point);</li> <li>• The plan to develop internal control includes the reforms and changes planned for budget management (e.g. planning, execution, accounting, IT tools, etc.) (1 point);</li> <li>• The plan includes activities that are relevant to internal control but are the responsibility of government institutions other than the ministry responsible for internal control or PIFC (1 point);</li> <li>• The plan is implemented (1 point if 60%-90% of planned activities for the latest full calendar year are implemented, 2 points if more than 90%).</li> </ul>
<b>Sub-indicator 2</b>	<b>Completeness of the regulatory framework for internal control</b>
Methodology	<p>Review of relevant regulations for internal control, including, at a minimum, regulations specific to internal control and regulations for internal audit, budgeting, budget planning, budget execution, accounting, and financial reporting and financial inspection.</p> <p>An up-to-date analysis of coherence of PIFC legislation with other horizontal legislation must at least include the organic budget law (OBL), the law on state administration, the law on public service and the regulation on policy planning and reporting.</p>
Point allocation	<p>Points are awarded for each of the following four criteria (total of 5 points):</p> <ul style="list-style-type: none"> <li>• The regulations for implementing internal control are applicable to all general government organisations, including social insurance funds and local self-government (2 points);</li> <li>• The CHU has an up-to-date analysis of coherence of PIFC legislation with other horizontal legislation (1 point);</li> <li>• The regulation includes specific provisions enabling delegation of decision-making authority in the central government organisations (1 point);</li> <li>• Formal guidelines or instructions are issued for all public sector organisations implementing internal control (1 point).</li> </ul>
<b>Sub-indicator 3</b>	<b>Comprehensiveness and regularity of the annual review and reporting on internal control</b>
Methodology	<p>Review of reports prepared for PFM and in particular for internal control or PIFC. The report on internal control can be a part of a wider report on PIFC or PFM.</p> <p>The report on internal control implementation is considered to be comprehensive if it includes statistics, information about the state of play in implementing internal control in public sector organisations, and covers all organisations required to implement national internal control requirements.</p>
Point allocation	<p>Points are awarded for each of the following four criteria (total of 5 points):</p> <ul style="list-style-type: none"> <li>• At least 90% of central government organisations that are required to</li> </ul>

	<p>implement internal control report annually on progress and actions taken to the ministry responsible for internal control policy (1 point);</p> <ul style="list-style-type: none"> <li>• A report on internal control development is presented to the government at least annually and within the deadlines specified in the national legislation (1 point);</li> <li>• The report on internal control implementation includes comprehensive information (1 point);</li> <li>• The government issues conclusions/decisions at least annually requiring specific action to improve internal control (2 points).</li> </ul>
<b>Sub-indicator 4</b>	<b>Alignment between national budget management and control systems and those for EU-funded programmes</b>
Methodology	<p>Review of relevant regulations for control procedures in public procurement, payment authorisations and irregularities. Review of the descriptions of management and control systems for EU-funded programmes. Comparison between the procedures established for national budget management and for the management of EU-funded programmes to determine the following:</p> <p>In public procurement:</p> <ul style="list-style-type: none"> <li>• Is the authority to issue central guidance and templates vested in the same institution?</li> <li>• Are all tenders published on one national website?</li> <li>• Are appeals handled by the same institution?</li> <li>• Are <i>ex-ante</i> controls (if applicable) conducted by the same institution?</li> <li>• In payment authorisations: <ul style="list-style-type: none"> <li>○ Are the <i>ex-ante</i> financial controls in the beneficiary organisations conducted by the same structural units?</li> <li>○ Are the final authorisation and payment procedure carried out by the same institution?</li> </ul> </li> <li>• In irregularities management: <ul style="list-style-type: none"> <li>○ Is the institutional contact point for guidance and co-ordination of irregularities reporting and follow-up the same?</li> <li>○ Are the minimum requirements (including frequency) for reporting on irregularities the same?</li> </ul> </li> <li>• In co-ordination of internal control: <ul style="list-style-type: none"> <li>○ Is the overall guidance for internal control the same?</li> <li>○ Is the overall monitoring and reporting on internal control the same?</li> </ul> </li> </ul>
Point allocation	<p>For each of the following four criteria, 1 point is awarded (total of 4 points):</p> <ul style="list-style-type: none"> <li>• All four public procurement controls listed in the methodology are the same for EU-funded programmes and projects and those funded from the national budget;</li> <li>• The two procedures for financial controls before payments and payment authorisation listed in the methodology are the same for EU-funded programmes and projects and those funded from the national budget;</li> <li>• The two procedures for reporting and follow-up of irregularities listed in the methodology are the same for EU-funded programmes and projects and those funded from the national budget;</li> <li>• The two aspects of co-ordination of internal control are the same for EU-funded programmes and projects and those funded from the national budget.</li> </ul>

### Definitions of key terms and official data classifications used (if applicable)

**Central Harmonisation Unit (CHU):** policy unit reporting directly to the minister of finance on the status of internal control in the entire public sector. It is responsible for redesigning, updating and maintaining the quality of the internal control systems, for harmonising and co-ordinating definitions, standards and methodologies, for networking between all actors (managers, financial officers, internal auditors), for establishing and co-ordinating sustainable training facilities (including setting criteria for certification of public internal auditors), and for all other actions to improve public internal control systems<sup>107</sup>.

**Internal control:** the process effected by an entity's board of directors, management and other personnel designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance<sup>108</sup>. Internal control relates to control environment, risk assessment, control activities, information and communication, and monitoring of controls.

**Public internal financial control (PIFC):** overall financial control system performed internally by a government or its delegated organisations, aiming to ensure that the financial management and control of its national budget spending centres (including foreign funds) comply with the relevant legislation, budget descriptions and the principles of sound financial management, transparency, efficiency, effectiveness and economy. PIFC comprises all measures to control all government income, expenditure, assets and liabilities. It represents the wide sense of internal control. It includes but is not limited to *ex-ante* financial control and *ex-post* internal audit<sup>109</sup>.

### Comparability

No comparable measures exist, but the EC has prepared a Compendium of the public internal control systems in the EU Member States (2012) describing the elements of PIFC in EU Member States<sup>110</sup>.

### Data validation and quality assurance by SIGMA

The accuracy of the assessment is ensured by sending a draft report to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature.

<sup>107</sup> EC (2006), *Welcome to the World of PIFC*.

<sup>108</sup> COSO (2013), *Internal Control – Integrated Framework*, Committee of Sponsoring Organizations of the Treadway Commission, American Institute of Certified Public Accountants.

<sup>109</sup> Chapter 32 of *acquis communautaire*.

<sup>110</sup> [http://ec.europa.eu/budget/library/biblio/publications/2011/compendium\\_27\\_countries\\_en.pdf](http://ec.europa.eu/budget/library/biblio/publications/2011/compendium_27_countries_en.pdf).

**Principle 7: Each public organisation implements internal control in line with the overall internal control policy.**

**Indicator 6.7.1: Functioning of internal control**

This indicator measures the extent to which internal control systems are implemented in practice within the budget organisations and between ministries and their subordinate organisations, and the immediate results in terms of improved managerial accountability and governance arrangements between ministries and subordinated bodies.

Sub-indicators	Maximum points
1. Number of first-level budget organisations that are neither ministries nor constitutional bodies	3
2. Alignment between management and budget structures (%)	3
3. Credibility of controls for avoiding commitments above the expenditure ceilings	2
4. Availability of reporting of total cost and physical progress of major investment projects	2
5. Effectiveness of basic managerial accountability mechanisms for central government bodies	4
6. Delegation of decision-making authority within ministries	4
7. Regularity and completeness of risk management practices	3
8. Existence of reporting on irregularities	2
Total points	0-3      4-7      8-11      12-15      16-19      20-23
Final indicator value	0      1      2      3      4      5

**Full description of each sub-indicator**

<b>Sub-indicator 1</b>	<b>Number of first-level budget organisations that are neither ministries nor constitutional bodies</b>
Methodology	Review of the institutional structure of the state administration to establish the number of independent organisations that bypass their parent ministries and submit their budgets and report directly and only to the parliament or the government (including MoF). The analysis is carried out on the basis of the entire list of first-level budget organisations.
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = fewer than 10</li> <li>• 2 points = 10-19</li> <li>• 1 point = 20-29</li> <li>• 0 point = 30 or more</li> </ul>

<b>Sub-indicator 2</b>	<b>Alignment between management and budget structures (%)</b>
Methodology	<p>This sub-indicator checks whether senior managers have their budgets allocated to them. The analysis is carried out based on data provided by the CHU/MoF and a review of a sample of five large-budget organisations to verify the data provided by the CHU/MoF. If the review of the five sample cases reveals inconsistencies with the CHU data, or there is no data from the CHU, a complete screening of all ministries is carried out, comparing their management and budget structures. The organisational structure is defined in the country context, but it would typically refer to independent constitutional bodies, agencies and departments or sectors within ministries. The analysis will compare the managerial/organisational structures with the budget adopted by the parliament or a more detailed budget breakdown adopted by the government.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = more than 80% of organisations have alignment between management and budget structures.</li> <li>• 2 points = 60%-80% of organisations have alignment between management and budget structures.</li> <li>• 1 point = 30%-59.99% of organisations have alignment between management and budget structures.</li> <li>• 0 points = fewer than 30% of organisations have alignment between management and budget structures.</li> </ul>
<b>Sub-indicator 3</b>	<b>Credibility of controls for avoiding commitments above the expenditure ceilings</b>
Methodology	<p>Analysis of data provided by the MoF/Treasury, based on the annual financial statement of the government. Review of the relevant SAI reports to further verify the information.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = there are rules that prevent circumvention of commitment controls, and no payment arrears exist at the central government level.</li> <li>• 1 point = the commitment control system is operational and is only circumvented in incidental cases resulting in a low level of arrears (less than 1% of the budget).</li> <li>• 0 points = the commitment control system is not operational and/or is regularly surpassed, which is reflected in a non-negligible amount of arrears (more than 1% of the budget).</li> </ul>
<b>Sub-indicator 4</b>	<b>Availability of reporting of total cost and physical progress of major investment projects</b>
Methodology	<p>Review of data provided by the MoF. Review of a sample of five budget organisations. Major investment projects are defined as those with a total value of EUR 1 million or more.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = information on implementation of major investment projects is prepared at least <i>quarterly</i> to present evidence that the total cost and physical progress of major investment projects are monitored by the implementing government unit.</li> <li>• 1 point = information on implementation of major investment projects is prepared at least <i>annually</i> to present evidence that the total cost and</li> </ul>

	<p>physical progress of major investment projects are monitored by the implementing government unit.</p> <ul style="list-style-type: none"> <li>• 0 points = neither of the above apply.</li> </ul>
<b>Sub-indicator 5</b>	<b>Effectiveness of basic managerial accountability mechanisms for central government bodies</b>
Methodology	<p>The sub-indicator assesses how often central government bodies reporting to the parent ministry meet each of the three basic criteria of managerial accountability below. The measure is based on a sample of eight bodies in total. Two bodies are selected from four different ministries: 1) the ministry of interior; 2) the MoF; 3) the ministry of justice; and 4) the ministry of economy. Subordinated bodies with the highest staff numbers are selected for each ministry.</p> <p>The standard of managerial accountability comprises the following criteria:</p> <ul style="list-style-type: none"> <li>• The annual plan of the subordinated body contains specific objectives and measurable targets approved by the ministry or agreed upon by the ministry and the subordinated body;</li> <li>• Progress towards objectives is monitored by a relevant unit of the ministry, at least annually;</li> <li>• The latest annual report contained information on the level of outcomes against predefined objectives and targets, and the ministry provided feedback on this in writing.</li> </ul>
Point allocation	<p>Points are awarded for the number of occurrences where ministries fulfil the criteria. The maximum possible number of occurrences is 24.</p> <ul style="list-style-type: none"> <li>• 4 points = 22-24 occurrences</li> <li>• 3 points = 19-21 occurrences</li> <li>• 2 points = 16-18 occurrences</li> <li>• 1 point = 13-15 occurrences</li> <li>• 0 points = 12 or fewer occurrences</li> </ul>
<b>Sub-indicator 6</b>	<b>Delegation of decision-making authority within ministries</b>
Methodology	<p>Analysis of five ministries (MoF, ministry of interior, ministry of justice, ministry of economy and ministry of education) to assess the scope of delegation of decision-making authority at two levels: 1) from the political level (minister) to the administrative level (senior civil servants); and 2) from the top administrative level (secretary general, permanent secretary of the ministry) to the lower administrative level (heads of units within the ministry).</p> <p>Delegation is defined as meaning that there is no need to require higher managerial approval for taking the decisions. Delegation from political to administrative level is prioritised in order to promote separation between policy-making and operational activities. This is reflected in the point allocation: four criteria relate to delegation from the ministerial level to the administrative level, while three criteria concern delegation within the administrative level.</p> <p>The analysis is carried out based on information and documents gathered during interviews with relevant staff members of the sample ministries and administrative data collected as evidence of such practices in those organisations.</p> <p>Assessors check for the following seven regular decision-making items in all five</p>

	<p>ministries:</p> <ul style="list-style-type: none"> <li>• Procurement of low-level purchases (less than EUR 5 000) are signed below the level of minister;</li> <li>• Recruitment decisions and employment contracts of senior advisers and similar positions are signed below the level of minister;</li> <li>• Payments of salaries to the staff of the ministry are signed below the level of minister;</li> <li>• Replies to public information requests are signed below the level of minister;</li> <li>• Annual leave requests are formally approved below the level of permanent secretary or equivalent;</li> <li>• Business trips of staff members are formally approved (signed) below the level of permanent secretary or equivalent;</li> <li>• Approval of training for staff members is authorised below the level of permanent secretary or equivalent.</li> </ul>
Point allocation	<p>Points are awarded for the number of occurrences where the criteria are met. The maximum possible number of occurrences is 35.</p> <ul style="list-style-type: none"> <li>• 4 points = 30-35 occurrences</li> <li>• 3 points = 25-29 occurrences</li> <li>• 2 points = 20-24 occurrences</li> <li>• 1 point = 15-19 occurrences</li> <li>• 0 points = 14 occurrences or below</li> </ul>
<b>Sub-indicator 7</b>	<b>Regularity and completeness of risk management practices</b>
Methodology	<p>Analysis of five large budget organisations (including three ministries) to assess the regularity and completeness of risk management. The analysis is carried out based on actual documentation demonstrating risk assessment and other related procedures during the last calendar year or later.</p>
Point allocation	<p>For each of the following three criteria, 1 point is awarded (total of 3 points):</p> <ul style="list-style-type: none"> <li>• Risks are assessed at least annually in all five organisations;</li> <li>• All five organisations have agreed objectives and risk assessment is carried out against all the objectives of the organisation;</li> <li>• Risk mitigation measures and responsible persons are defined for at least those risks that have high impact and probability, and risk mitigation measures are reported at least annually in all five organisations.</li> </ul>
<b>Sub-indicator 8</b>	<b>Existence of reporting on irregularities</b>
Methodology	<p>Analysis of five large budget organisations (including three ministries) to assess whether there are procedures in place and actual practice for reporting on irregularities.</p>
Point allocation	<p>For each of the following two criteria, 1 point is awarded (total of 2 points):</p> <ul style="list-style-type: none"> <li>• In at least four out of five organisations, a procedure for reporting on irregularities and suspected fraud has been established;</li> <li>• In at least three out of five organisations, at least one case of irregularities was reported in the organisation during the previous full calendar year.</li> </ul>

Definitions of key terms and official data classifications used (if applicable)

**First-level budget organisation:** budget organisation that is directly accountable for budgetary issues to the MoF. A second-level budget organisation is accountable to a first-level budget user (not the MoF).

**Risk management:** co-ordinated activities to direct and control an organisation with regard to risk, defined as the effect of uncertainty on objectives. Risk management processes cover systematic application of management policies, procedures and practices to the tasks of communicating, consulting, establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risk.

Known limits and bias of data

**Sub-indicator 3: Credibility of controls for avoiding commitments above the expenditure ceilings**

Data on payment arrears may be underestimated in cases where outstanding invoices are recorded in the financial system with a delay and/or when no elements of accrual accounting are in use.

**Sub-indicator 7: Regularity and completeness of risk management practices**

**Sub-indicator 8: Existence of reporting of irregularities**

The sample of institutions is not representative. SIGMA simply conducts spot checks in preselected institutions to assess whether implementation takes place.

Data validation and quality assurance by SIGMA

The accuracy of the qualitative assessment and calculations based on data provided by the government is ensured by sending the assessment to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature.

**Principle 8: The operational framework for internal audit reflects international standards, and its application by the budget organisations is consistent with the legislation governing public administration and public financial management in general.**

**Indicator 6.8.1: Adequacy of the operational framework for internal audit**

This indicator measures the extent to which the operational framework for internal audit (IA) has been established, assessing the adequacy of the regulatory framework, the institutional set-up, and co-ordination and quality assurance mechanisms.

A separate indicator measures the implementation of the framework and the results achieved.

<b>Sub-indicators</b>	<b>Maximum points</b>					
1. Adequacy of the regulatory framework for internal audit	5					
2. Organisational capacity for internal audit	5					
3. Co-ordination, development and guidance of the internal audit system	5					
4. Existence of a system for quality assurance for internal audit	3					
Total points	0-2	3-6	7-9	10-12	13-15	16-18
<b>Final indicator value</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

**Full description of each sub-indicator**

<b>Sub-indicator 1</b>	<b>Adequacy of the regulatory framework for internal audit</b>
Methodology	<p>Review of the legislation, formal instructions and manuals established for the IA function.</p> <p>For IA manuals to be considered in line with the legislation for IA no more than one material/substantial inconsistency between the manuals and existing national legislation can exist.</p> <p>IA manuals are deemed consistent with the guidelines of the Institute of Internal Auditors (IIA) if no more than one material/substantial inconsistency between the manuals and IIA guidance exists.</p>
Point allocation	<p>For each of the following five criteria, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• Legislation specifies the operational arrangements for IA, including minimum organisational requirements and size of units, and allows IA requirements to differ depending on the type and size of the organisation;</li> <li>• Independence is ensured and reporting arrangements, IA standards, manuals, code of ethics and certification are in place;</li> <li>• Legislation for IA applies to all general government organisations;</li> <li>• IA manuals are in line with the legislation for IA;</li> <li>• IA manuals are prepared for the national conditions and are based on and consistent with the guidelines of the IIA.</li> </ul>

<b>Sub-indicator 2</b>	<b>Organisational capacity for internal audit</b>
Methodology	Review of data provided by the CHU/MoF. Review of a sample of five budget organisations to verify the data provided by CHU/MoF. The sample budget organisations include three ministries and two large agencies.
Point allocation	<p>Points are awarded for the following four criteria (total of 5 points):</p> <ul style="list-style-type: none"> <li>• IA units are established in at least in 90% of central government organisations required to do so (2 points);</li> <li>• At least 90% of IA units that are established are staffed according to legal requirements, and their staff includes at least two auditors (to meet IIA standards for internal quality control) (1 point);</li> <li>• At least 85% of internal auditors have IA qualifications (i.e. they hold a national or international certificate for internal auditing) (1 point);</li> <li>• Audit charters, including independence and reporting arrangements, are concluded with heads of organisations in all five cases reviewed (1 point).</li> </ul>
<b>Sub-indicator 3</b>	<b>Co-ordination, development and guidance of the internal audit system</b>
Methodology	<p>Review of the planning documents, reports, minutes of meetings and other documents providing evidence for the criteria listed below.</p> <p>SIGMA considers that the annual report on IA development reports on progress in the quality of IA if it includes summary information on official quality assurance reports on IA functions, data on the quality of IA recommendations (either the nature of recommendations or the implementation rate) or other information that factually demonstrates progress or lack of progress in IA.</p>
Point allocation	<p>For each of the following five criteria, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• There is an up-to-date and formally approved plan for the development of IA;</li> <li>• The plan to develop IA is routinely implemented; at least 80% of the planned activities in the plan to develop IA were implemented the latest full calendar year;</li> <li>• A continuous professional development programme exists and was implemented during the latest full calendar year;</li> <li>• Heads of IA units meet at least twice a year under the supervision of the CHU for IA;</li> <li>• The annual report on IA development reports on progress in the quality of IA.</li> </ul>
<b>Sub-indicator 4</b>	<b>Existence of a system for quality assurance of internal audit</b>
Methodology	Review of data from the CHU. Validation by review of a sample of five budget organisations.
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = a formal procedure is established for quality assurance of the IA function, in line with the IIA standards, and at least five IA units applied the procedure during the latest full calendar year.</li> <li>• 2 points = a formal procedure is established for a national quality assurance scheme (e.g. implemented by the CHU) and at least five IA units have undergone such a review during the latest full calendar year.</li> <li>• 1 point = at least two IA units have undergone an external (not carried out by the IA itself) review of the functioning of the IA during the latest full calendar</li> </ul>

- year.
- 0 points = less than two IA units have undergone an external review of the functioning of the IA during the latest full calendar year.

Definitions of key terms and official data classifications used (if applicable)

**Internal audit (IA):** independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives through a systematic, disciplined approach that evaluates and improves the effectiveness of risk management, control and governance processes<sup>111</sup>.

Comparability

Although not directly comparable, the PEFA framework for assessing PFM provides assessment of selected countries on the effectiveness of internal audit<sup>112</sup>.

Data validation and quality assurance by SIGMA

The accuracy of the assessment is ensured by sending the draft report to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature.

**Principle 9: Each public organisation implements internal audit in line with the overall internal audit policy documents, as appropriate to the organisation.**

**Indicator 6.9.1 Functioning of internal audit**

This indicator measures the extent to which internal audit is implemented and whether activities effectively contribute to improved management of public finances within the budget organisations.

Sub-indicators	Maximum points					
1. Strength of planning of internal audit in budget organisations						7
2. Quality of audit reports						6
3. Follow-up and implementation of audit recommendations (%)						3
Total points	0-2	3-5	6-8	9-11	12-14	15-16
Final indicator value	0	1	2	3	4	5

**Full description of each sub-indicator**

<sup>111</sup> The Institute of Internal Auditors, <http://www.theiia.org/guidance/standards-and-guidance/ippf/definition-of-internal-auditing/?search%2BCdefinition>.

<sup>112</sup> [https://pefa.org/assessments/listing?f\[0\]=field\\_assessment\\_region%3A260](https://pefa.org/assessments/listing?f[0]=field_assessment_region%3A260).

<b>Sub-indicator 1</b>	<b>Strength of planning of internal audit in budget organisations</b>
Methodology	Review of data from the CHU. Five examples of annual audit plans are analysed to validate CHU data and to assess the planning process. The plans are collected from among large central government organisations, of which at least three are ministries.
Point allocation	<p>Points are awarded for each of the following six criteria (total of 7 points):</p> <ul style="list-style-type: none"> <li>• Strategic plans are prepared at least by 90% of organisations where an IA function is established (1 point);</li> <li>• Annual audit plans are prepared at least by 90% of organisations where an IA function is established (1 point);</li> <li>• All five cases reviewed demonstrate that audit plans are prepared in line with the national legal requirements (2 points);</li> <li>• All five cases reviewed demonstrate that audit plans are prepared based on a risk assessment covering all parts of the organisation (1 point);</li> <li>• At least four of the five annual IA plans allow a variety of audit types (compliance audit, system-based audit, performance audit) (1 point);</li> <li>• At least three of the five annual IA plans cover a variety of funding sources, including IPA and other donor-funded programmes, as relevant for the organisations (1 point).</li> </ul>
<b>Sub-indicator 2</b>	<b>Quality of audit reports</b>
Methodology	Review of five IA reports prepared by five different central government institutions that are required to have an IA function (including at least three ministries), using the most recent audit reports from the latest full calendar year.
Point allocation	<p>Points are awarded for each of the following five criteria (total of 6 points):</p> <ul style="list-style-type: none"> <li>• All five organisations have produced audit reports during the latest full calendar year (1 point);</li> <li>• At least four of the five audit reports include objective and scope definitions (1 point);</li> <li>• At least four of the five audit reports include audit recommendations and references and explanations of the evidence backing up the recommendations (1 point);</li> <li>• At least four of the five audit reports are prepared on the basis of a methodology that addresses systematic weaknesses in internal control systems (2 points);</li> <li>• At least four of the five audit reports address weaknesses in achieving value for money (1 point).</li> </ul>
<b>Sub-indicator 3</b>	<b>Follow-up and implementation of audit recommendations (%)</b>
Methodology	<p>Review of CHU data to identify the share of IA recommendations made during the year prior to the latest full calendar year that were followed up by the IA units within one year, focusing only on IA recommendations of central government organisations.</p> <p>CHU data is validated by a detailed review of five budget organisations. SAI reports are also reviewed for possible inconsistencies with data provided by the CHU. If CHU data is inconsistent with the other data, assessors will systematically verify</p>

	the CHU data, with 0 points awarded if they conclude that the CHU data is not reliable.
Point allocation	Points are awarded for each of the following two criteria (total of 3 points): <ul style="list-style-type: none"><li>• At least 90% of IA recommendations are followed up by the IA units within one year (1 point);</li><li>• If over 60% of IA recommendations are implemented within one year, 2 points are awarded; if 45%-60% of IA recommendations are implemented within one year, 1 point is awarded (1 or 2 points).</li></ul>

## Comparability

Although not directly comparable, the PEFA framework for assessing PFM provides assessment of selected countries on the effectiveness of internal audit<sup>113</sup>:

### Known limits and bias of data

#### **Sub-indicator 1: Strength of planning of internal audit in budget organisations**

#### **Sub-indicator 2: Quality of audit reports**

The sample of annual audit plans and IA reports for calculation of these sub-indicators is not representative. SIGMA simply conducts spot checks in preselected institutions to assess whether implementation takes place.

### Data validation and quality assurance by SIGMA

The accuracy of the assessment is ensured by sending the draft report to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature.

<sup>113</sup> [https://pefa.org/assessments/listing?f\[0\]=field\\_assessment\\_region%3A260](https://pefa.org/assessments/listing?f[0]=field_assessment_region%3A260).

## Public procurement

**Principle 10: Public procurement regulations (including public-private partnerships and concessions) are aligned with the European Union *acquis*, include additional areas not covered by the *acquis*, are harmonised with corresponding regulations in other fields, and are duly enforced.**

Indicator 6.10.1: Quality of legislative framework for public procurement and PPPs/concessions	
Sub-indicators	Maximum points
<b>Compliance of public procurement legislation with the <i>acquis</i> above EU thresholds</b>	
1. Level of alignment of public procurement legislation with the EU Directives	6
2. Scope of public procurement legislation	6
3. Public procurement procedures	4
4. Publication and transparency	5
5. Choice of participants and award of contracts	5
6. Availability of procedural options	4
<b>Public procurement procedures below EU thresholds</b>	
7. Advertising of public procurement procedures	3
8. Contract award procedures	7
<b>Opportunities for participation of SMEs in public procurement</b>	
9. Opportunities for participation of SMEs in public procurement	5
<b>Availability of measures for the practical application of the legislative framework</b>	
10. Availability of measures for the practical application of the legislative framework	5
<b>Quality of legislation concerning PPPs/concessions</b>	
11. Coverage of legislation on PPPs/concessions	2
12. Value for money, free competition, transparency, equal treatment, mutual recognition and proportionality for PPPs/concessions	8
<b>Total points</b>	0-10      11-20      21-30      31-40      41-50      51-60
<b>Final indicator value</b>	<b>0      1      2      3      4      5</b>

Full description of each sub-indicator	
Compliance of public procurement legislation with the <i>acquis</i> for cases above EU thresholds	
<b>Sub-indicator 1</b>	<b>Level of alignment of public procurement legislation with the EU Directives</b>
Methodology	Expert review of legislation.
Point allocation	<p>For alignment of public procurement legislation with the respective directive(s), points are awarded as indicated (total of 6 points):</p> <ul style="list-style-type: none"> <li>• Directive 2014/24 (classic procurement):           <ul style="list-style-type: none"> <li>○ 3 points = fully aligned</li> <li>○ 2 points = partially aligned, with minor discrepancies</li> <li>○ 1 point = partially aligned, with major discrepancies</li> <li>○ 0 points = not aligned</li> </ul> </li> <li>• Directive 2014/25 (utilities procurement):           <ul style="list-style-type: none"> <li>○ 2 points = fully aligned</li> <li>○ 1 points = partially aligned</li> <li>○ 0 points = not aligned</li> </ul> </li> <li>• Directive 2009/81 (procurement in the field of defence and security):           <ul style="list-style-type: none"> <li>○ 1 point = fully aligned</li> <li>○ 0 points = not aligned</li> </ul> </li> </ul>
<b>Sub-indicator 2</b>	<b>Scope of public procurement legislation</b>
Methodology	Expert review of legislation.
Point allocation	<p>For each of the following six criteria, 1 point is awarded (total of 6 points):</p> <ul style="list-style-type: none"> <li>• The scope of classic procurement is harmonised with the definition of contracting authorities in Directive 2014/24;</li> <li>• The scope of utilities procurement is harmonised with the definition of contracting entities in Directive 2014/25;</li> <li>• Definitions of supplies, services and works and regulations about mixed procurement are provided and comply with relevant provisions of EU Directives;</li> <li>• The list of exclusions does not exceed the permitted exclusions in EU Directive 2014/24 for classic procurement;</li> <li>• The list of exclusions does not exceed the permitted exclusions in EU Directive 2014/25 for utilities procurement;</li> <li>• The list of exclusions does not exceed the permitted exclusions in EU Directive 2009/81 for procurement in the field of defence and security.</li> </ul>
<b>Sub-indicator 3</b>	<b>Public procurement procedures</b>
Methodology	Expert review of legislation.

Point allocation	<p>Points are awarded for each of the following four criteria as set out in the legislation (total of 4 points):</p> <ul style="list-style-type: none"> <li>• Open procedures are harmonised with the EU Directives;</li> <li>• Restricted procedures are harmonised with the EU Directives;</li> <li>• Competitive negotiated procedure, competitive dialogue and innovation partnerships can be applied for conditions that are harmonised with the EU Directives;</li> <li>• Negotiated procedure without prior publication can be applied for conditions that are harmonised with the EU Directives.</li> </ul>
<b>Sub-indicator 4</b>	<b>Publication and transparency</b>
Methodology	<p>Expert review of legislation.</p> <p>Key information on the procedure is, at a minimum, defined as reasons for the choice of the procedure, tender documentation, reasons for decisions on exclusion of economic operators, rejections of tenders, and the result of the procedure.</p>
Point allocation	<p>Points are awarded for each of the following four criteria (total of 5 points):</p> <ul style="list-style-type: none"> <li>• Publication of contract notices and contract award notices is required by law, either in the national official journal or on a national website (2 points);</li> <li>• The contracting authority/entity is obliged by law to inform each candidate or tenderer of decisions reached, including the grounds for any decision (1 point);</li> <li>• The contracting authority/entity is obliged by law to prepare and store individual reports on the procedure, including key information, and to make the reports publicly available (either published or on request) (1 point);</li> <li>• The law obliges contracting authorities/entities to ensure that their representatives in a procedure have no conflict of interest (1 point).</li> </ul>
<b>Sub-indicator 5</b>	<b>Choice of participants and award of contracts</b>
Methodology	Expert review of legislation.
Point allocation	<p>For each of the following five criteria as set out in the legislation, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• The contracting authority/entity must apply mandatory grounds for exclusion that are harmonised with EU Directives;</li> <li>• The contracting authority/entity may apply non-mandatory exclusion grounds, or must do so if required by national legislation, in accordance with the EU Directives;</li> <li>• The contracting authority/entity must reject tenders that are not compatible with the selection criteria set out in the tender documentation;</li> <li>• The contracting authority/entity is obliged to award a contract in compliance with the criteria set out in the tender documentation;</li> <li>• The best price-quality ratio is the prescribed or recommended contract</li> </ul>

	award criterion.
<b>Sub-indicator 6</b>	<b>Availability of procedural options</b>
Methodology	Expert review of legislation.
Point allocation	<p>For each of the following four criteria as set out in the legislation, 1 point is awarded (total of 4 points):</p> <ul style="list-style-type: none"> <li>• The law provides the possibility for the contracting authorities/entities to use at least two of the following instruments: occasional joint procurement, electronic catalogues, electronic auctions, dynamic purchasing systems, qualifications systems (in the case of utilities);</li> <li>• The technical specifications, contract award criteria or conditions for the execution of the contract can refer to social and environmental aspects of the procurement;</li> <li>• the contracting authorities/entities have the opportunity to use a light regime for social and other specific services in accordance with Articles 75-76 of Directive 2014/24 and Articles 91-93 of Directive 2014/25;</li> <li>• The contracting authorities/entities have the opportunity to use the design contest procedure.</li> </ul>
<b>hePublic procurement procedures below EU thresholds</b>	
<b>Sub-indicator 7</b>	<b>Advertising of public procurement procedures</b>
Methodology	<p>Expert review of legislation.</p> <p>Essential information in contract notices and publicly available documentation is defined as, at a minimum, the subject of the procedure, method of procurement, contract award criteria, exclusion grounds, selection criteria, and time limits.</p> <p>Duly specified situations that, as an exception, allow for publication of procedures without a notice include extreme urgency due to unforeseeable events and contracts that may be executed only by one particular economic operator for technical or artistic reasons, or for reasons connected with the protection of exclusive rights.</p>
Point allocation	<p>For each of the following three criteria that is established in the legislation for contracts above a <i>de minimis</i> amount (contracts above EUR 10 000), 1 point is awarded (total of 3 points):</p> <ul style="list-style-type: none"> <li>• As a rule, the contracting authority/entity is obliged by law to publish a contract notice in the national official journal or procurement portal;</li> <li>• Contract notices and publicly available documentation include essential information;</li> <li>• Procedures without publication of a notice are only allowed as an exception in duly specified situations.</li> </ul>
<b>Sub-indicator 8</b>	<b>Contract award procedures</b>
Methodology	<p>Expert review of legislation to consider the following aspects, as a minimum:</p> <ul style="list-style-type: none"> <li>• Equal access for economic operators means that contracting entities</li> </ul>

	<p>should not impose conditions causing direct or indirect discrimination against potential tenderers, such as the requirement that undertakings interested in the contract must be established in the same country or region as the contracting entity;</p> <ul style="list-style-type: none"> <li>• Time limits for expression of interest and for submission of offers are considered appropriate when they are long enough to allow undertakings from other countries to make a meaningful assessment and prepare their offer;</li> <li>• A transparent and objective approach is when all participants are able to know the applicable rules in advance and have the certainty that these rules apply to everybody in the same way;</li> <li>• Limiting the number of applicants to an appropriate level (short-listing) must be carried out in a transparent and non-discriminatory manner. At a minimum, contracting authorities/entities must be obliged by law to apply objective factors for selection of economic operators.</li> </ul>
Point allocation	<p>For each of the following seven criteria that is ensured in the legislation, 1 point is awarded (total of 7 points):</p> <ul style="list-style-type: none"> <li>• The description of the characteristics required of a product or service should not refer to a specific make or source, or a particular process, or to trademarks, patents, types or a specific origin or production, unless such a reference is justified by the subject matter of the contract and accompanied by the words “or equivalent”;</li> <li>• Equal access for economic operators;</li> <li>• Appropriate time limits for expression of interest and for submission of offers;</li> <li>• Transparent and objective approach to all participants;</li> <li>• Shortlisting is based on transparent and non-discriminatory criteria;</li> <li>• Contract award decisions comply with the procedural rules laid down at the outset, and the principles of non-discrimination and equal treatment are fully respected. For choosing the best offer, contracting authorities/entities are obliged by law to apply the criteria that were described in tender documentation, and the criteria used should be objective;</li> <li>• An adequate review mechanism is established to effectively guarantee compliance with the basic standards of non-discrimination, competition and transparency.</li> </ul>
<b>Opportunities for participation of SMEs in public procurement</b>	
<b>Sub-indicator 9</b>	<b>Opportunities for participation of SMEs in public procurement</b>
Methodology	Expert review of legislation.
Point allocation	<p>For each of the following five criteria, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• Contracting authorities/entities are encouraged to divide contracts into lots;</li> <li>• Setting proportionate qualification levels and financial requirements is required by law;</li> <li>• The nature and amount of documentation required to participate in a tender are relevant to the nature of the procurement;</li> <li>• The use of the European Single Procurement Document (ESPD) or a standard self-declaration to confirm that the economic operator meets</li> </ul>

	<p>the relevant selection criteria and is not in a situation in which economic operators shall or may be excluded is required;</p> <ul style="list-style-type: none"> <li>• Legislation is in place imposing strict deadlines for payments from public authorities, and there are penalties for noncompliance.</li> </ul>
<b>Availability of measures for the practical application of the legislative framework</b>	
<b>Sub-indicator 10</b>	<b>Availability of measures for the practical application of the legislative framework</b>
Methodology	<p>Expert review of legislation.</p> <p>Interviews with central procurement institutions, contracting authorities, economic operators and their associations, procurement experts, and NGOs.</p>
Point allocation	<p>For each of the following five criteria, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• When primary legislation has been adopted, it comes into force as early as necessary to serve its purpose and as late as necessary to ensure that secondary legislation and any institutions are also in place;</li> <li>• Secondary legislation and complementary regulations are prepared and issued no later than when the primary legislation comes into force;</li> <li>• Any institutions provided for in the legislation are set up and staffed when the law comes into force;</li> <li>• The introduction of legislation is accompanied by corresponding capacity-building measures for contracting authorities and economic operators;</li> <li>• The effective implementation of new legislation is monitored.</li> </ul>
<b>Quality of legislation concerning PPPs/concessions</b>	
<b>Sub-indicator 11</b>	<b>Coverage of legislation on PPPs/concessions</b>
Methodology	<p>Expert review of legislation.</p>
Point allocation	<p>For each of the following two criteria, 1 point is awarded (total of 2 points):</p> <ul style="list-style-type: none"> <li>• The legislative framework for PPPs/concessions procedures for works is in place;</li> <li>• The legislative framework for PPPs/concessions procedures for services is in place.</li> </ul>
<b>Sub-indicator 12</b>	<b>Value for money, free competition, transparency, equal treatment, mutual recognition and proportionality for PPPs/concessions</b>
Methodology	<p>Expert review of legislation and documents describing the system of public procurement in the country.</p> <p>Interviews with the central institution responsible for the PPPs/concessions regulatory framework, contracting authorities, economic operators and their associations, PPP experts and NGOs.</p>
Point allocation	<p>For each of the following eight criteria, 1 point is awarded (total of 8 points):</p> <ul style="list-style-type: none"> <li>• The scope of the PPP/concessions regulations is harmonised with the definition of contracting authorities in Directive 2014/23;</li> <li>• The list of exclusions does not go beyond the permitted exclusions in EU Directives;</li> </ul>

- The contracting authority/entity is obliged by law to use competitive procedures (launched by a notice) for PPP/concessions awards;
- The contracting authority/entity is obliged by law to inform each candidate and tenderer of decisions reached, including the grounds for any decision;
- Legislation includes provisions for preventing potential and managing actual conflicts of interest;
- According to the legal provisions, the contracting authority/entity has to abide by the rules announced in the tender documentation;
- Provisions regulating preparation of technical specifications, clear and non-discriminatory award criteria, and clear and non-discriminatory grounds of exclusion and selection criteria ensure equal access of economic operators to the contract;
- Legal provisions do not restrict access to professional knowledge and expert support in the preparation of tender documentation or during the negotiation process for contracting authorities/entities.

#### Definitions of key terms and official data classifications used (if applicable)

**Contracting authority, contracting entity, works, supplies, services, open procedure, restricted procedure, competitive negotiated procedure, competitive dialogue, negotiated procedure without prior publication, occasional joint procurement, electronic catalogues, electronic auctions, dynamic purchasing systems, qualifications systems, design contest and concessions:** definitions are included in Directives 2009/81/EC, 2014/23/EU, 2014/24/EU and 2014/25/EU. Other sources used are EC Staff Working Document of 25 June 2008, entitled European Code of Best Practices Facilitating Access by SMEs to Public Procurement Contracts<sup>114</sup>, as well as the Communication from the EC on “Think Small First”: A “Small Business Act” for Europe (Principle V)<sup>115</sup>.

**Public-private partnership (PPP):** partnership between the public sector and the private sector for the purpose of delivering a project or a service traditionally provided by the public sector. PPPs are characterised particularly by the method of funding the project, which is in part from the private sector, sometimes by means of complex arrangements between the various players. It also requires specific distribution of risks between the public partner and the private partner, to which the risks generally borne by the public sector are transferred<sup>116</sup>.

**Concessions:** according to Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts<sup>117</sup>, concessions means works or services concessions, defined as follows: “a) ‘works concession’ means a contract for pecuniary interest concluded in writing by means of which one or more contracting authorities or contracting entities entrust the execution of works to one or more economic operators, the consideration for which consists either solely in the right to exploit the works that are the subject of the contract or in that right together with payment; b) ‘services concession’ means a contract for pecuniary interest concluded in writing by means of which one or more contracting authorities or contracting entities entrust the provision and the management of services other than the execution of works referred to in point a) to one or more economic operators, the consideration of which consists either solely in the

<sup>114</sup> <http://www.ecec.net/fileadmin/pdf/law/2/smecodeofbestpracticesen1.pdf>

<sup>115</sup> COM(2008) 394 final, <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52008DC0394&from=EN>.

<sup>116</sup> EC (2003), *Guidelines for Successful Public-Private Partnerships*; European Commission, Brussels, [http://ec.europa.eu/regional\\_policy/sources/docgener/guides/ppp\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/guides/ppp_en.pdf) (2004), EC (2004), *Green Paper on public-private partnerships and Community law on public contracts and concessions*, COM/2004/0327 final, <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52004DC0327&from=EN>.

<sup>117</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0023&from=EN>.

right to exploit the services that are the subject of the contract or in that right together with payment.”.

**Small and medium-sized enterprises (SMEs):** according to the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises<sup>118</sup>. “The category of micro, small and medium-sized enterprises is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million. Within the SME category, a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million. Within the SME category, a microenterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.”.

#### Data validation and quality assurance by SIGMA

The accuracy of the assessment is ensured by sending the draft report to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature.

### Principle 11: There is central institutional and administrative capacity to develop, implement and monitor procurement policy effectively and efficiently.

#### Indicator 6.11.1: Central institutional and administrative capacity to develop, implement and monitor public procurement policy effectively and efficiently

This indicator measures to what extent public procurement policy is systematically developed, implemented and monitored, how central public procurement functions are distributed and regulated, and to what extent the preparation and implementation of policies is open and transparent.

Sub-indicators	Maximum points
Quality of the policy framework for public procurement	
1. Quality of the strategy for development of public procurement and PPPs/concessions	5
2. Quality of the operational action plan	5
3. Implementation of the strategy and the action plan	5
4. Monitoring of strategy implementation	5
Capability of central procurement institutions and their performance	
5. Adequacy of the legal framework to ensure capable institutions	10
6. Clarity in definition and distribution of central procurement functions in the legislation	10

<sup>118</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV%3An26026>.

7. Performance of the institutions involved, their capacity and resources	20
<b>Comprehensiveness and efficiency of systems for monitoring and reporting on public procurement</b>	
8. Presence and quality of monitoring and data collection	10
9. Accessibility of public procurement data	10
<b>Total points</b>	<b>0-12      13-25      26-39      40-53      54-67      68-80</b>
<b>Final indicator value</b>	<b>0      1      2      3      4      5</b>

Full description of each sub-indicator	
<b>Quality of the policy framework for public procurement</b>	
<b>Sub-indicator 1</b>	<b>Quality of the strategy for development of public procurement and PPPs/concessions</b>
Methodology	<p>Expert review of strategy documents. Key aspects for the policy framework in public procurement and PPPs/concessions also include capacity building, modernisation of procedures, green procurement, social procurement and innovations.</p> <p>Interviews with stakeholders engaged in consultation of the strategy.</p>
Point allocation	<p>For each of the following five criteria, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• There is a current strategy for the development of the public procurement system, covering no less than three years;</li> <li>• The strategy contains a chapter or substantive content on PPPs/concessions;</li> <li>• The strategy covers all key aspects for the policy framework in public procurement and PPPs/concessions;</li> <li>• Budget regulations and contract law do not impose restrictions on the implementation of the procurement strategy;</li> <li>• There has been consultation on the strategy with all stakeholders, allowing them a minimum of two weeks to respond and sufficient time to address any comments received.</li> </ul>
<b>Sub-indicator 2</b>	<b>Quality of the operational action plan</b>
Methodology	Expert review of the action plan and interviews with the key institutions responsible for its implementation and independent observers from civil society.
Point allocation	<p>For each of the following five criteria, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• The action plan clearly presents all activities to be undertaken and indicates which institutions are responsible for their implementation;</li> <li>• The action plan contains a timetable with clearly defined milestones and deadlines;</li> <li>• The action plan describes the sources of financing for implementation of all activities;</li> <li>• The action plan presents performance indicators at the level of objectives as well as activities;</li> <li>• The action plan is available to the public.</li> </ul>

<b>Sub-indicator 3</b>	<b>Implementation of the strategy and action plan</b>
Methodology	<p>Expert review of the adopted strategy and its action plan, and interviews with institutions responsible for implementation of actions foreseen in the strategic documents and independent observers from civil society.</p> <p>The implementation rate is calculated by dividing the total number of activities planned to be completed and actually implemented in the latest full calendar year by the total number of activities planned for that year, expressed as a percentage. Ongoing activities are also counted if implemented successfully according to schedule.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 5 points = more than 90%</li> <li>• 4 points = 70%-90%</li> <li>• 3 points = 50%-69.99%</li> <li>• 1 point = 30%-49.99%</li> <li>• 0 points = below 30%</li> </ul>
<b>Sub-indicator 4</b>	<b>Monitoring of strategy implementation</b>
Methodology	Expert review of the adopted strategy and its action plan, and interviews with institutions responsible for implementation of actions foreseen in the strategic documents and independent observers from civil society NGOs.
Point allocation	<p>For each of the following five criteria, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• Implementation of the policy adopted in the strategic documents is monitored regularly and at least annually, according to the methodology adopted;</li> <li>• Implementation of the policy adopted in the strategic documents is monitored by a responsible institution gathering data from all involved users;</li> <li>• Reports on implementation are prepared and made public;</li> <li>• Proposals for updating action plans and amending the strategy are sent for public consultation;</li> <li>• The strategic documents are reviewed and action plans updated at least annually.</li> </ul>
<b>Capability of central procurement institutions and their performance</b>	
<b>Sub-indicator 5</b>	<b>Adequacy of the legal framework to ensure capable institutions</b>
Methodology	<p>Expert review of regulations, including internal acts on organisation and functioning of procurement institutions.</p> <p>Authority and decision-making powers are considered to be adequate if they determine the position or location of the responsible procurement institution within the public administration, provide it with decision-making powers commensurate with the mandate and functions assigned to the body, and establish the legal foundation for its authority.</p>
Point allocation	<p>Points are awarded for each of the following three criteria (total of 10 points):</p> <ul style="list-style-type: none"> <li>• Legal provisions establish adequate authority and decision-making powers for the central procurement body (4 points);</li> <li>• Legal provisions ensure the independence of any review body in the remedies system (4 points);</li> </ul>

	<ul style="list-style-type: none"> <li>• Legal provisions establish adequate authority and decision-making powers for the body responsible for PPPs/concessions (2 points).</li> </ul>
<b>Sub-indicator 6</b>	<p><b>Clarity in definition and distribution of central procurement functions in the legislation</b></p>
Methodology	<p>Expert review of regulations, including internal acts on the organisation and functioning of procurement institutions.</p> <p>The legal framework clearly defines and allocates functions if it explicitly and transparently determines their distribution among the central procurement institutions, without creating overlaps and avoidable hindrances to the efficient and effective conduct of public procurement.</p>
Point allocation	<p>Points are awarded for each of the following criteria if the legal framework for the central procurement institutions clearly defines and allocates the following functions (total of 10 points):</p> <ul style="list-style-type: none"> <li>• defining public procurement policy and drafting primary legislation (2 points)</li> <li>• drafting and issuing secondary legislation and performing regulatory functions (2 points)</li> <li>• disseminating information about public procurement rules and bidding opportunities (information about contracts to be awarded) (1 point)</li> <li>• international co-ordination, including EU integration (1 point)</li> <li>• advisory and operational support, including professionalisation and capacity building (2 points)</li> </ul> <p>Points are awarded if the legal framework for the central institutions for PPPs/concessions clearly defines and allocates at least four of the following functions (total of 2 points):</p> <ul style="list-style-type: none"> <li>• defining policy framework and drafting primary legislation</li> <li>• drafting and issuing secondary legislation (implementing regulations) and performing regulatory functions</li> <li>• international co-ordination, including EU integration</li> <li>• monitoring and control</li> <li>• advisory and operational support</li> <li>• publication and information</li> <li>• professionalisation and capacity building</li> </ul>
<b>Sub-indicator 7</b>	<p><b>Performance of the institutions involved, their capacity and resources</b></p>
Methodology	<p>Expert review of the reports on functioning of central institutions.</p> <p>Interviews with institutions involved, as well as contracting entities, economic operators (and their associations), procurement experts and NGOs.</p> <p>Review of the most recent examples of laws, regulations and other outputs of the central public procurement institutions.</p>
Point allocation	<p>Points are awarded as follows for the four key areas (total of 20 points).</p> <p>For each of the following four criteria, 2 points are awarded if central procurement functions are performed in an efficient and effective manner (total of 10 points):</p> <ul style="list-style-type: none"> <li>• Primary legislation is subject to public consultation in accordance with national guidelines (3 points);</li> </ul>

	<ul style="list-style-type: none"> <li>• Secondary legislation is issued on time, covers all matters required by primary law and is subject to public consultation in accordance with national guidelines (2 points);</li> <li>• International co-operation (including EI requirements regarding the national contact point) is in place(1 point);</li> <li>• Advisory and operational support is offered to the contracting authorities/entities and economic operators in at least two of the following forms: helpdesk available on a daily basis; guidance notes and operational tools; issue of commentaries, opinions, interpretative communications (2 points);</li> <li>• Monitoring and control are performed when a formal risk assessment indicates a risk of infringement of public procurement rules (<i>ad-hoc, ex-post</i> control) (2 points).</li> </ul> <p>For each of the following two criteria, 2 points are awarded if the central public procurement body (or bodies) has the necessary resources to perform its duties (total of 4 points):</p> <ul style="list-style-type: none"> <li>• The number of staff is adequate for the prescribed responsibilities; the personnel has higher education and experience relevant to public procurement; tools for individual competency development are used;</li> <li>• The other necessary resources (budget, office, technical equipment, IT tools) are adequate for performing the prescribed functions.</li> </ul> <p>For each of the following two criteria, 2 points are awarded if central PPP/concessions functions are performed in an efficient and effective manner (total of 4 points):</p> <ul style="list-style-type: none"> <li>• Primary and secondary legislation is prepared in a timely and comprehensive manner, ensures adjustment to EU and international standards, and takes into account market needs ;</li> <li>• Contracting authorities are provided with guidelines and best-practice examples and have access to expert support for the preparation and management of PPP operations.</li> </ul> <p>Two points are awarded if the central institution responsible for PPPs/concessions is provided with the staff and other resources required to carry out its statutory roles and responsibilities .</p>
Comprehensiveness and efficiency of systems for monitoring and reporting on public procurement	
<b>Sub-indicator 8</b>	<b>Presence and quality of monitoring and data collection</b>
Methodology	<p>Expert review of administrative data from assessments of monitoring systems and data presentation facilities, and data from publicly available sources, as well as checking of the actual outputs obtainable in the system.</p> <p>Interviews with contracting authorities, economic operators and their associations, procurement experts and NGOs.</p> <p>Contract management documents are taken to include contract amendments, if any, and contract completion reports; data monitored and collected should include, at a minimum, the information in the standard forms of Tenders Electronic Daily (TED).</p>
Point allocation	<p>For each of the following five criteria, 2 points are awarded (total of 10 points):</p> <ul style="list-style-type: none"> <li>• The central authority uses the data system to collect and publish procurement</li> </ul>

	<p>plans, indicative notices for potential procurement procedures and contract notices;</p> <ul style="list-style-type: none"> <li>• The central authority uses the data system to collect and disseminate (publish) documents related to contract management;</li> <li>• The system of collecting information and submitting it for publication is simple, with few and clear data entry facilities, and does not require dedicated, specialised staff or more than part-time work for users;</li> <li>• The system allows for simple, effective and efficient data storage and analysis, with sufficient capacity to respond to user queries within a few seconds;</li> <li>• Data is up to date, complete and clear and fully reflects legally binding documents, such as signed contracts. Standardised nomenclature and unique identifiers such as the Common Procurement Vocabulary and the use of unique organisation IDs, must be used.</li> </ul>
<b>Sub-indicator 9</b>	<b>Accessibility of public procurement data</b>
Methodology	<p>Expert review of administrative data from public procurement monitoring systems and data presentation facilities, and data from publicly available sources.</p> <p>Interviews with contracting authorities, economic operators and their associations, procurement experts and NGOs.</p> <p>As a minimum, the review would look for the following:</p> <ul style="list-style-type: none"> <li>• A clear and concise presentation of public procurement data by the central system is achieved if the annual reports discuss the development of spending volume, intensity of competition and market concentration, use of different procedure types, speed of administrative procedures, cost overruns and delivery delays.</li> <li>• The system displays public procurement data in a clear and simple format if a choice of display and presentation modes is available. A simple data display format entails, at a minimum, that the same information is reported consistently in the same way.</li> <li>• The system facilitates retrieval of information (including for external analysis) if it has a function for searching notices. At least five search criteria must be included: e.g. notice type, contracting body type, time period and free text search in the notice text, or geographical location.</li> </ul>
Point allocation	<p>For each of the following five criteria for the central system (electronic portal), 2 points are awarded (total of 10 points):</p> <ul style="list-style-type: none"> <li>• The system presents public procurement data in a clear and concise manner;</li> <li>• The system displays public procurement data in a clear and simple format;</li> <li>• The system facilitates retrieval of information (including for external analysis);</li> <li>• The system makes it possible to mine data down to the lowest level of aggregation and the dataset is downloadable;</li> <li>• The system ensures easy and free public access to all public procurement data, including free third-party re-use of data.</li> </ul>

Definitions of key terms and official data classifications used (if applicable)

**Strategy:** document (or documents) presenting the diagnosis of the situation, objectives of the public procurement policy, key activities to be undertaken in order to achieve those goals and responsibilities assigned to relevant institutions.

**Central procurement functions:** functions performed by a central procurement or PPP/concessions body, which typically would include<sup>119</sup>: 1) the long-term policy framework; 2) primary legislation; 3) secondary policies and regulation; 4) international co-ordination; 5) oversight and monitoring; 6) advisory and operational support; 7) publication and information; 8) professionalisation and capacity building; and 9) operational development and co-ordination.

## Comparability

### Sub-indicator 9: Accessibility of public procurement data

DIGIWHIST<sup>120</sup>, benchmarks availability and accessibility of public procurement data across all EU member countries, the European Economic Area countries and Serbia, Armenia and Georgia. It provides a comparable overview of country systems, albeit with less detail than SIGMA data.

## Data validation and quality assurance by SIGMA

The accuracy of the assessment is ensured by sending the draft report to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature. Information provided by survey respondents and quantitative data on the performance of public procurement system is triangulated with other sources of information (e.g. studies prepared by other public bodies and institutions independent of the government).

## Principle 12: The remedies system is aligned with the European Union *acquis* standards of independence, probity and transparency and provides for rapid and competent handling of complaints and sanctions.

### Indicator 6.12.1: Independence, timeliness and competence of the complaints handling system

This indicator measures the effectiveness of the system for handling complaints on public procurement. First, the quality of the legislative and regulatory framework is assessed, specifically in terms of compliance with EU Directives. Then, the strength of the institutional set-up for handling complaints is analysed. Next, the actual performance of the review system is measured. Finally, the performance of the remedies system for PPPs/concessions is evaluated.

Sub-indicators	Maximum points
Legislative mechanisms for handling complaints in compliance with EU Directives	
1. Right to challenge public procurement decisions	5
2. Time limit for challenging decisions taken by contracting authorities/entities	2
3. Transposition of mechanisms to avoid ineffectiveness of contracts and impose penalties	3

<sup>119</sup> OECD (2013), *Organising Central Public Procurement Functions*, SIGMA Public Procurement Briefs, No. 26, OECD Publishing, Paris, <http://dx.doi.org/10.1787/5js4vmn5s5kd-en>.

<sup>120</sup> [http://digiwhist.eu/wp-content/uploads/2016/01/DIGIWHIST\\_D1\\_1-AccessToTenderInfo.pdf](http://digiwhist.eu/wp-content/uploads/2016/01/DIGIWHIST_D1_1-AccessToTenderInfo.pdf).

4. Mechanisms to ensure implementation of the review body's resolutions	2
5. Right to challenge decisions of the review body	3

#### Institutional set-up for handling complaints

6. Legal provisions ensure the independence of the review body and its members	7
7. Adequacy of the organisational set-up and procedures of the review body	4
8. Public availability and timeliness of data on the review system	4

#### Performance of the review system

9. Fairness of fee rates for initiating review procedures	3
10. Actual processing time of complaints	3
11. Complaint submission in practice	4
12. Quality of decision making by the review body	4
13. Cases changed or returned after verification by the court (%)	2

#### Performance of the remedies system in PPPs/concessions

14. Right to challenge lawfulness of actions/omissions in PPP/concessions procedures	5
15. Legal provisions ensure independence of the review body for PPPs/concessions and its members	5
16. Timeliness and effectiveness of complaints handling system for PPPs/concessions	5

<b>Total points</b>	0-8	9-19	20-30	31-41	42-52	53-61
<b>Final indicator value</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

#### Full description of each sub-indicator

The legislation sets out the mechanisms for handling complaints in compliance with EU Directives

Sub-indicator 1	Right to challenge public procurement decisions
Methodology	Expert review of legislation.
Point allocation	Points are awarded for each of the following four criteria (total of 5 points): <ul style="list-style-type: none"> <li>• All economic operators having or having had an interest in obtaining a public procurement contract above EU thresholds have the legal right to challenge decisions taken by contracting authorities/entities (1 point);</li> <li>• All economic operators having or having had an interest in obtaining a public procurement contract below EU thresholds have the legal right to challenge decisions taken by contracting authorities/entities (1 point);</li> <li>• The right is ensured regardless of the type of procedure (also in single-source procedure and negotiated procedures) (1 point).</li> <li>• The right to claim damages in the event of illegal actions of contracting</li> </ul>

	authorities/entities is granted in law (2 points).
<b>Sub-indicator 2</b>	<b>Time limit for challenging decisions taken by contracting authorities/entities</b>
Methodology	Expert review of legislation for correspondence with the provisions of EU Directives 89/665 and 92/13.
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = the time limit for challenging decisions taken by contracting authorities/entities is in line with EU Directives.</li> <li>• 0 points = the time limit for challenging decisions taken by contracting authorities/entities is not in line with EU Directives.</li> </ul>
<b>Sub-indicator 3</b>	<b>Transposition of mechanisms to avoid ineffectiveness of contracts and impose penalties</b>
Methodology	Expert review of legislation against the EU Remedies Directives.
Point allocation	<p>For each of the following three criteria, 1 point is awarded (total of 3 points):</p> <ul style="list-style-type: none"> <li>• The mechanisms for ineffectiveness of the contracts are transposed into national legislation;</li> <li>• The mechanisms for imposition of alternative penalties are transposed into national legislation;</li> <li>• The review body has the legal right to suspend the public procurement procedure until the end of the review process.</li> </ul>
<b>Sub-indicator 4</b>	<b>Mechanisms to ensure implementation of the review body's resolutions</b>
Methodology	Expert review of legislation.
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = legislation ensures effective and timely implementation of the review body's resolutions.</li> <li>• 0 points = legislation does not ensure effective and timely implementation of the review body's resolutions.</li> </ul>
<b>Sub-indicator 5</b>	<b>Right to challenge decisions of the review body</b>
Methodology	Expert review of legislation.
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = the decisions of the review body can be challenged in a court.</li> <li>• 0 points = the decisions of the review body cannot be challenged in a court.</li> </ul>
<b>The institutional set-up for handling complaints</b>	
<b>Sub-indicator 6</b>	<b>Legal provisions ensure the independence of the review body and its members</b>
Methodology	Expert review of legislation, including internal acts on organisation and functioning, and interviews with members of the review body.

Point allocation	<p>Points are awarded for each of the following criteria regarding the independence of the institution and its members (total of 7 points):</p> <ul style="list-style-type: none"> <li>• The legislation defines the roles and functions of the review body in line with standards of independence and transparency (the review body is not under the operational control of administrative bodies) (2 points);</li> <li>• The law provides for an unlimited term of appointment of the members of the review body, or the term of office is not shorter than four years (1 point);</li> <li>• A person applying for the position of a member of a review body has to meet criteria defined by law (e.g. a higher education degree, experience in public procurement) (1 point);</li> <li>• The dismissal of a member of the review body is possible only in objectively justifiable cases specified by law (1 point);</li> <li>• There is a prohibition (in any legal form) of additional employment for a member of the review body (1 point);</li> <li>• Legal provisions ensuring the avoidance of conflict of interest are in place (exclusion from resolving a case if a conflict of interest arises) (1 point).</li> </ul>
<b>Sub-indicator 7</b>	<b>Adequacy of the organisational set-up and procedures of the review body</b>
Methodology	<p>Expert review of legislation, including internal acts on organisation and functioning, and interviews with members of the review body.</p> <p>Internal mechanisms to ensure the quality and integrity of decisions must, at a minimum, prevent conflicts of interest and collusion, and ensure that decisions are taken in full knowledge of the procurement object at hand.</p>
Point allocation	<p>For each of the following four criteria, 1 point is awarded (total of 4 points):</p> <ul style="list-style-type: none"> <li>• Appointment of the members of the review body is preceded by a procedure to verify the required skills and experience of the candidates;</li> <li>• Members use a case-management system and procedures that enable them to ensure consistency in their approaches and decisions;</li> <li>• Internal mechanisms ensuring the quality and integrity of decisions are in place;</li> <li>• Detailed procedures regulating the proceedings, from reception of a complaint until the publication of the decisions, are adopted and publicly available.</li> </ul>
<b>Sub-indicator 8</b>	<b>Public availability and timeliness of data on the review system</b>
Methodology	<p>Expert review of legislation, including internal acts on organisation and functioning of the review system.</p> <p>Review of the website for the publication of review body activities and decisions. Search criteria include time period, type of procurement, nature, location and size of the contracting authority/entity, nature, location and size of the tenderer, and nature of the complaint.</p> <p>Interviews with contracting authorities, economic operators and their associations, procurement experts and NGOs.</p>
Point allocation	For each of the following four criteria, 1 point is awarded (total of 4 points):

	<ul style="list-style-type: none"> <li>• All decisions of the review body are published without delay, and no later than 14 days after adoption of the decision;</li> <li>• Relevant information is published about formal requirements for lodging complaints (fees, forms, attachments etc.);</li> <li>• Statistical data and reports on the work of the review body are published on a central, freely accessible public procurement website;</li> <li>• A website allows searches for individual decisions, using both free text search and search by various criteria.</li> </ul>																									
<b>Performance of the review system</b>																										
<b>Sub-indicator 9</b>	<b>Fairness of fee rates for initiating review procedures</b>																									
Methodology	Expert assessment based on legal provisions and fee statistics																									
Point allocation	<p>The table below shows how points are allocated for each type of contract value, depending on the fee rate. The total amount of points is divided by four, and rounded up to the nearest whole or half number to find the final points allocated for this sub-indicator.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center; background-color: #009688; color: white;">Contract value</th> <th colspan="3" style="text-align: center; background-color: #009688; color: white;">Fee</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">EUR 25 000 (services and supplies)</td><td style="text-align: center;">&lt;EUR 50 = 3 points</td><td style="text-align: center;">EUR 51-EUR 200 = 2 points</td><td style="text-align: center;">EUR 201-EUR 500 = 1 point</td><td style="text-align: center;">&gt; EUR 500 = 0 points</td></tr> <tr> <td style="text-align: center;">EUR 250 000 (services and supplies)</td><td style="text-align: center;">&lt;EUR 100 = 3 points</td><td style="text-align: center;">EUR 101-EUR 500 = 2 points</td><td style="text-align: center;">EUR 501-EUR 2 500 = 1 point</td><td style="text-align: center;">&gt; EUR 2 500 = 0 points</td></tr> <tr> <td style="text-align: center;">EUR 1 million (services and supplies)</td><td style="text-align: center;">&lt;EUR 200 = 3 points</td><td style="text-align: center;">EUR 201-EUR 800 = 2 points</td><td style="text-align: center;">EUR 801-EUR 3 000 = 1 point</td><td style="text-align: center;">&gt; EUR 3 000 = 0 points</td></tr> <tr> <td style="text-align: center;">EUR 10 million (works)</td><td style="text-align: center;">&lt; EUR 300 = 3 points</td><td style="text-align: center;">EUR 301-EUR 1 000 = 2 points</td><td style="text-align: center;">EUR 1 001-EUR 5 000 = 1 point</td><td style="text-align: center;">&gt; EUR 5 000 = 0 points</td></tr> </tbody> </table>	Contract value		Fee			EUR 25 000 (services and supplies)	<EUR 50 = 3 points	EUR 51-EUR 200 = 2 points	EUR 201-EUR 500 = 1 point	> EUR 500 = 0 points	EUR 250 000 (services and supplies)	<EUR 100 = 3 points	EUR 101-EUR 500 = 2 points	EUR 501-EUR 2 500 = 1 point	> EUR 2 500 = 0 points	EUR 1 million (services and supplies)	<EUR 200 = 3 points	EUR 201-EUR 800 = 2 points	EUR 801-EUR 3 000 = 1 point	> EUR 3 000 = 0 points	EUR 10 million (works)	< EUR 300 = 3 points	EUR 301-EUR 1 000 = 2 points	EUR 1 001-EUR 5 000 = 1 point	> EUR 5 000 = 0 points
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<b>Sub-indicator 10</b>	<b>Actual processing time of complaints</b>																									
Methodology	<p>Analysis of administrative data for the latest full calendar year.</p> <p>The actual time for resolving complaints by the first-instance review body when judging procurement cases is expressed as the median length of the time for reaching a first-instance judgement (independent of whether the first-instance body is judicial or non-judicial), measuring the number of days between filing/lodging a complaint and notification of the first-instance decision.</p> <p>The share of cases where the review bodies exceeded the maximum legal time limit is calculated by taking the number of cases in which the prescribed time limit was exceeded as a share of the total number of cases, expressed as a percentage.</p>																									
Point allocation	Actual time for resolving complaints, median length of review (total of 2 points):																									

	<ul style="list-style-type: none"> <li>• 2 points = fewer than 30 days</li> <li>• 1 point = 30-99 days</li> <li>• 0 points = 100 days or more</li> </ul> <p>Share of cases where the review body exceeded the maximum legal time limit (total of 1 point):</p> <ul style="list-style-type: none"> <li>• 1 point = less than 10%</li> <li>• 0 points = 10% or more</li> </ul>
<b>Sub-indicator 11</b>	<b>Complaint submission in practice</b>
Methodology	Analysis of publicly available documentation and interviews with contracting authorities, economic operators and their associations, procurement experts and NGOs.
Point allocation	For each of the following four criteria, 1 point is awarded (total of 4 points): <ul style="list-style-type: none"> <li>• Complaints can be lodged electronically;</li> <li>• Complaints can be submitted, and their receipt confirmed, outside the working hours of the review body;</li> <li>• Attachments to complaints can be submitted electronically or as ordinary copies, without requiring that they be certified;</li> <li>• Formal errors in filing the complaint (such as a lack of attachments) are signalled to the complainant without delay and can be corrected without further delays and costs.</li> </ul>
<b>Sub-indicator 12</b>	<b>Quality of decision making by the review body</b>
Methodology	<p>Analysis of decisions. Six decisions collected from the procurement review body are analysed (one each for works, supplies and services above the highest applicable threshold and one each below that threshold but above the subsequent threshold). For each category, the first decision issued after 1 September in the latest calendar year is selected.</p> <p>Expert review of legislation.</p> <p>Interviews with contracting authorities/entities, economic operators and their associations, procurement experts and NGOs.</p> <p>Analysis of publicly available documentation.</p>
Point allocation	For each of the following four criteria, 1 point is awarded (total of 4 points): <ul style="list-style-type: none"> <li>• In all cases reviewed, the decisions are based on the applicable law(s) and reflect the principles of transparency, competition and equal treatment;</li> <li>• In all cases reviewed, the decisions do not focus on purely formal errors or omissions (especially those that have no impact on the outcome of the procedure);</li> <li>• In all cases reviewed, the decisions include resolution of complaints and sanctions with reference to legal provisions;</li> <li>• In all cases reviewed, the decisions include a clear rationale.</li> </ul>
<b>Sub-indicator 13</b>	<b>Cases changed or returned after verification by court (%)</b>
Methodology	Review of administrative data for the latest full calendar year to calculate the

	number of cases changed or returned after review by a court (second-instance body) as a share of the total number of cases reviewed by the court, expressed as a percentage.
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = 0%-19.99%</li> <li>• 1 point = 20%-50%</li> <li>• 0 points = more than 50%</li> </ul>
<b>Performance of the remedies system in PPPs/concessions</b>	
<b>Sub-indicator 14</b>	<b>Right to challenge lawfulness of actions/omissions in PPP/concessions procedures</b>
Methodology	Expert review of legislation.
Point allocation	<p>Points are awarded for each of the following four criteria (total of 5 points):</p> <ul style="list-style-type: none"> <li>• The right to challenge decisions taken by contracting authorities/entities is ensured for all economic operators having or having had an interest in obtaining a PPP/concession contact above EU thresholds (1 point);</li> <li>• The right to challenge decisions taken by contracting authorities/entities is ensured for all economic operators having or having had an interest in obtaining a PPP/concession contract below EU thresholds (1 point);</li> <li>• The right to challenge decisions taken by contracting authorities/entities is ensured regardless of the type of procedure (also in single-source procedures and negotiated procedures) (1 point);</li> <li>• Legislation provides the right to claim damages in case of illegal actions of contracting authorities/entities (2 points).</li> </ul>
<b>Sub-indicator 15</b>	<b>Legal provisions ensure independence of the review body for PPPs/concessions and its members</b>
Methodology	Expert review of legislation.
Point allocation	<p>Points are awarded for each of the following two criteria (total of 5 points):</p> <ul style="list-style-type: none"> <li>• A review body is established according to legal provisions (2 points);</li> <li>• The review body and its members are independent in taking decisions (in terms of appointment, dismissal, mechanism ensuring lack of conflict of interest) (3 points).</li> </ul>
<b>Sub-indicator 16</b>	<b>Timeliness and effectiveness of complaints handling system for PPPs/concessions</b>
Methodology	<p>Expert review of legislation. Analysis of statistical reports. Analysis of the last two decisions taken by the review body in the latest calendar year to verify that they are based on the applicable law(s) and reflect principles of transparency, competition and equal treatment. Interviews with contracting authorities/entities, economic operators and their associations, procurement experts and NGOs. Analysis of publicly available documentation.</p>

Point allocation	Points are awarded for each of the following three criteria (total of 5 points): <ul style="list-style-type: none"><li>• Complaints are resolved within a median time of less than three months (1 point);</li><li>• There are mechanisms to ensure implementation of the decisions made (2 points);</li><li>• In both cases analysed, decisions are based on the applicable law(s) and reflect principles of transparency, competition and equal treatment (2 points).</li></ul>
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### Definitions of key terms and official data classifications used (if applicable)

**Review body:** institution, typically a special review body or court, that resolves disputes on public procurement procedures in the first instance (in some countries, after an obligatory first-stage review conducted by the contracting authority/entity).

**Complaint:** formal action of the interested economic operator that challenges acts and actions or omissions of the contracting authority/entity before the relevant review body.

**Actual time of resolving complaint:** time from the reception of a complaint until the announcement to the parties of the decision resolving the case on merits.

**Fee:** payment required by law from the economic operator in order to initiate proceedings before the relevant review body.

### Comparability

**Sub-indicator 1: Right to challenge public procurement decisions**

**Sub-indicator 2: Time limit for challenging decisions taken by contracting authorities/entities**

**Sub-indicator 3: Transposition of mechanisms to avoid ineffectiveness of contracts and impose penalties**

**Sub-indicator 4: Mechanisms to ensure implementation of the review body's resolutions**

**Sub-indicator 5: Right to challenge decisions of the review body**

The World Bank's *Benchmarking Public Procurement 2016*<sup>121</sup> report provides information on the legal framework for complaints mechanisms in the public procurement system in 77 countries.

**Sub-indicator 9: Fairness of fee rates for initiating review procedures**

**Sub-indicator 10: Actual processing time of complaints**

**Sub-indicator 11: Complaint submission in practice**

**Sub-indicator 12: Quality of decision making by the review body**

**Sub-indicator 13: Cases changed or returned after verification by the court (%)**

The EC's 2015 report, *Economic Efficiency and Legal Effectiveness of Review and Remedies Procedures for Public Contracts: Final Study Report* (MARKT/2013/072/C)<sup>122</sup> and the EC *Report on the Effectiveness of Directive 89/665/EEC and Directive 92/13/EEC*, as modified by Directive 2007/66/EC, concerning review procedures in the area of public procurement (COM [2017] 28 final, 24 January 2017) review

<sup>121</sup> <http://bpp.worldbank.org/~media/WBG/BPP/Documents/Reports/Benchmarking-Public-Procurement-2017.pdf>.

<sup>122</sup> <http://docplayer.net/23385145-Economic-efficiency-and-legal-effectiveness-of-review-and-remedies-procedures-for-public-contracts.html>.

the effectiveness of remedies procedures for public procurement across the EU.

#### Known limits and bias of data

**Sub-indicator 9: Fairness of fee rates for initiating review procedures**

**Sub-indicator 10: Actual processing time of complaints**

**Sub-indicator 11: Complaint submission in practice**

**Sub-indicator 14: Right to challenge lawfulness of actions/omissions in PPP/concessions procedures**

Small differences between central procurement institutions are encountered in the methodology of gathering and classifying data.

#### Data validation and quality assurance by SIGMA

The accuracy of the assessment is ensured by sending the draft report to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature.

**Principle 13: Public procurement operations comply with basic principles of equal treatment, non-discrimination, proportionality and transparency, while ensuring the most efficient use of public funds and making best use of modern procurement techniques and methods.**

#### Indicator 6.13.1: Efficiency, non-discrimination, transparency and equal treatment practiced in public procurement operations

This indicator measures the extent to which public procurement operations comply with basic principles of equal treatment, non-discrimination, proportionality and transparency, while ensuring most efficient use of public funds. It measures performance in the planning and preparation of public procurement, the transparency and competitiveness of the procedures used, the extent to which modern approaches and tools are applied, and how the contracts are managed once they have been concluded.

Sub-indicators	Maximum points
Planning and preparation of the public procurement procedure	
1. Due attention is given to the planning process	5
2. Presence and use of cost estimation methods and budgeting	2
3. Perceived quality of tender documentation by contracting authorities and economic operators (%)	4
Competitiveness and transparency of conducted procedures	
4. Perceived fairness of procedures by businesses (%)	4
5. Contracts awarded by competitive procedures (%)	5
6. Contracts awarded based on acquisition price only (%)	5

7. Average number of tenders submitted per competitive procedure	3
8. Contracts awarded when one tenderer submitted a tender (%)	2
Use of modern procurement methods	
9. Adequacy of regulatory framework for and use of framework agreements	5
10. Adequacy of regulatory and institutional framework and use of centralised purchasing	5
11. Penetration of e-procurement within the procurement system	5
Contract management and performance monitoring	
12. Presence of mechanisms requiring and enabling contract management	6
13. Contracts amended after award (%)	4
14. Use of <i>ex post</i> evaluation of the procurement process and of contract performance	6

**Risk management for preserving the integrity of the public procurement system**

15. Existence of basic integrity tools 4

Total points	0-12	13-23	24-34	35-45	46-56	57-65
Final indicator value	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

**Full description of each sub-indicator**

**Planning and preparation of the public procurement procedure**

Sub-indicator 1	<b>Due attention is given to the planning process</b>
Methodology	<p>Expert review of legislation.</p> <p>Interviews with contracting authorities/entities, economic operators, external auditors, and NGOs.</p> <p>Analysis of the procedures announced publicly in procurement plans or indicative notices as a share of the total number of procedures conducted in the latest full calendar year. Only procedures above the national thresholds are included. The data is taken from annual reports from the public procurement authority and other relevant sources.</p> <p>Surveys are conducted with contracting authorities and economic operators to assess their opinion on the general guidelines for planning and preparation of public procurement and for the preparation of tender documentation set out in secondary legislation.</p>
Point allocation	<p>Points are awarded for each of the following three criteria, with 1 point for the first criterion and 2 points for each of the others (total of 5 points):</p> <ul style="list-style-type: none"> <li>• At least 80% of procedures are announced publicly in procurement plans or indicative notices;</li> <li>• At least 65% of contracting authorities find the guidelines for planning and preparation of public procurement and for the preparation of tender documentation useful;</li> <li>• Preliminary market consultations are provided for in the legislation and facilitated by corresponding guidelines.</li> </ul>
Sub-indicator 2	<b>Presence and use of cost estimation methods and budgeting</b>
Methodology	<p>Expert review of secondary legislation.</p> <p>Interviews with contracting authorities/entities, economic operators, external auditors, and NGOs.</p> <p>Review of reports and analyses of public procurement operations prepared by contracting authorities, public procurement authorities and other institutions.</p>

Point allocation	For each of the following two criteria, 1 point is awarded (total of 2 points): <ul style="list-style-type: none"> <li>• The contracting authorities/entities use the methods of cost estimation described in legal provisions, preventing unlawful division into contracts of small value;</li> <li>• Before launching a procedure, contracting authorities/entities ensure that funding can reasonably be expected to be available, as provided by applicable financial regulations, which should allow requests for participation to be issued even before budgets for the corresponding contracts have been adopted.</li> </ul>
<b>Sub-indicator 3</b>	<b>Perceived quality of tender documentation by contracting authorities and economic operators (%)</b>
Methodology	<p>Analysis of responses by a representative sample of businesses to the following survey question: "In the past three years, has your company decided not to take part in a public tender or a public procurement procedure?" Assessors measure the percentage of businesses that stated that they decided not to take part in a public tender or a public procurement procedure in the past three years, for any of the following reasons: a) unclear selection or evaluation criteria; b) the criteria seemed to be tailor made for certain participants; and c) the procedure seemed too bureaucratic or burdensome.</p> <p>Analysis of survey responses from both contracting authorities and economic operators. Respondents are asked to confirm that inputs from market consultations, cost estimates as well as any applicable budgetary constraints are used when preparing tender documentation. Equal weight is given to both groups when calculating the average.</p>
Point allocation	Points are awarded for each of the following two criteria (total of 4 points): <ul style="list-style-type: none"> <li>• Percentage of businesses that did not take part in a public tender or a public procurement procedure because of unclear selection or evaluation criteria, non-objective criteria, or burdensome procedures:               <ul style="list-style-type: none"> <li>○ 2 points = less than 10%</li> <li>○ 1 point = 10% - 25%</li> <li>○ 0 points = more than 25%</li> </ul> </li> <li>• At least 65% of contracting authorities and economic operators confirm that inputs from market consultations, cost estimates as well as any applicable budgetary constraints are used when preparing tender documentation.</li> </ul>
Competitiveness and transparency of conducted procedures	
<b>Sub-indicator 4</b>	<b>Perceived fairness of procedures by businesses (%)</b>
Methodology	<p>Analysis of responses by a representative sample of businesses to the following question on a Balkan Barometer survey, or similar: "In the past three years, has your company decided not to take part in a public tender or a public procurement procedure?"</p> <p>Assessors determine the percentage of businesses that answer "yes" and cited either of the following reasons: 1) the deadline for submitting the bids were too tight and impossible to meet, and 2) the deal seemed to have been sealed before the tender was published.</p>

Point allocation	<p>Points are awarded for each of the following two criteria (total of 4 points):</p> <ul style="list-style-type: none"> <li>• percentage of businesses that did not take part in a public tender or procedure because the deadline for submitting the bids was too tight and impossible to meet:           <ul style="list-style-type: none"> <li>○ 2 points = less than 5%</li> <li>○ 1 point = 5%-25%</li> <li>○ 0 points = more than 25%</li> </ul> </li> <li>• percentage of businesses that did not take part in a public tender or procedure because the deal seemed to have been sealed before the tender was published:           <ul style="list-style-type: none"> <li>○ 2 points = less than 10%</li> <li>○ 1 point = 10%-25%</li> <li>○ 0 points = more than 25%</li> </ul> </li> </ul>
<b>Sub-indicator 5</b>	<b>Contracts awarded by competitive procedures (%)</b>
Methodology	Analysis of administrative data to determine the number of competitive procedures divided by the total number of procedures commenced in the latest full calendar year, whether above or below the EU thresholds, expressed as a percentage.
Point allocation	<ul style="list-style-type: none"> <li>• 5 points = more than 95%</li> <li>• 4 points = 85%-95%</li> <li>• 3 points = 70%-84.99%</li> <li>• 2 points = 50%-69.99%</li> <li>• 1 point = 40%-49.99%</li> <li>• 0 points = below 40%</li> </ul>
<b>Sub-indicator 6</b>	<b>Contracts awarded based on acquisition price only (%)</b>
Methodology	Analysis of administrative data to calculate the number of competitive procedures having the lowest price as the one and only award criterion, divided by the number of all competitive procedures commenced in the latest full calendar year, expressed as a percentage.
Point allocation	<ul style="list-style-type: none"> <li>• 5 points = below 5%</li> <li>• 4 points = 5%-14.99%</li> <li>• 3 points = 15%-34.99%</li> <li>• 2 points = 35%-59.99%</li> <li>• 1 point = 60%-90%</li> <li>• 0 points = more than 90%</li> </ul>
<b>Sub-indicator 7</b>	<b>Average number of tenders submitted per competitive procedure</b>
Methodology	Analysis of administrative data to calculate the total number of tenders submitted for all competitive public procurement procedures commenced in the latest full calendar year, divided by the corresponding total number of procedures the same year.
Point allocation	<ul style="list-style-type: none"> <li>• 3 points = 6 or more tenders</li> <li>• 2 points = 4-5.99 tenders</li> </ul>

	<ul style="list-style-type: none"> <li>• 1 point = 2-3.99 tenders</li> <li>• 0 points = fewer than 2 tenders</li> </ul>
<b>Sub-indicator 8</b>	<b>Contracts awarded when one tenderer submitted a tender (%)</b>
Methodology	Analysis of administrative data to calculate the number of procedures where one tenderer submitted a tender in the latest full calendar year, divided by the total number of competitive procedures in the same year, expressed as a percentage.
Point allocation	<ul style="list-style-type: none"> <li>• 2 points = below 5%</li> <li>• 1 point = 5%-35%</li> <li>• 0 points = more than 35%</li> </ul>
Use of modern procurement methods	
<b>Sub-indicator 9</b>	<b>Adequacy of regulatory framework for and use of framework agreements</b>
Methodology	<p>Expert review of legislation and guidelines.</p> <p>Interviews with contracting authorities/entities, economic operators, external auditors, and NGOs.</p> <p>The use of contracts concluded under framework agreements is calculated as the value of procurement awarded in contracts under framework agreements as a share of the total contract value in the latest full calendar year, expressed as a percentage.</p>
Point allocation	<p>Points are awarded for each of the following three criteria (total of 5 points):</p> <ul style="list-style-type: none"> <li>• The legislation regulates framework agreements, and clear and comprehensive guidelines for their use are available to contracting authorities (1 point);</li> <li>• When a framework agreement is in place, it is used for over half (by value) of the contracts concluded by the contracting authorities/entities concerned, for the items covered by the framework agreement (1 point);</li> <li>• The value of contracts concluded under framework agreements as a share of total contract value (total of 3 points): <ul style="list-style-type: none"> <li>○ 3 points = more than 25%</li> <li>○ 2 points = 10%-25%</li> <li>○ 1 point = 5%-9.99%</li> <li>○ 0 points = below 5%</li> </ul> </li> </ul>
<b>Sub-indicator 10</b>	<b>Adequacy of regulatory and institutional framework and use of centralised purchasing</b>
Methodology	<p>Expert review of legislation, including secondary legislation.</p> <p>Interviews with contracting authorities/entities, economic operators, independent observers, external auditors and NGOs.</p> <p>Analysis of administrative data to determine the value of procurement awarded in centralised purchasing as a share of the total contract value in the latest full calendar year, expressed as a percentage.</p>
Point allocation	Points are awarded for each of the following three criteria (total of 5 points):

	<ul style="list-style-type: none"> <li>• The legislation provides for centralised purchasing and regulates the institutions, items and procedures to be used, and at least one central purchasing body is active (1 point);</li> <li>• Existing arrangements for centralised purchasing are used for over half (by value) of the contracts concluded by contracting authorities/entities for the items covered by centralised purchasing (1 point);</li> <li>• Value of procurement awarded in centralised purchasing as a share of the total contract value (total of 3 points):           <ul style="list-style-type: none"> <li>○ 3 points = more than 5%</li> <li>○ 2 points = 2%-5%</li> <li>○ 1 point = 1%-1.99%</li> <li>○ 0 points = below 1%</li> </ul> </li> </ul>
<b>Sub-indicator 11</b>	<b>Penetration of e-procurement within the procurement system</b>
Methodology	<p>Expert review of legislation.</p> <p>Review of websites (public procurement portal, e-procurement platforms).</p> <p>Assessment of statistics from e-procurement operations.</p>
Point allocation	<p>For each of the following five criteria, one point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• All notices are published online;</li> <li>• Tender documentation can be downloaded;</li> <li>• Tender documentation can be downloaded in 50% of procedures or more;</li> <li>• Either e-submission, e-evaluation or e-auction is used in more than 50% of procurement procedures in the latest full calendar year;</li> <li>• At least two instruments (e-submission, e-evaluation, or e-auction) are used in more than 70% of procedures in the latest full calendar year.</li> </ul>
<b>Contract management and performance monitoring</b>	
<b>Sub-indicator 12</b>	<b>Presence of effective mechanisms requiring and enabling contract management</b>
Methodology	<p>Review of legislation and guidelines.</p> <p>Review of reports from the SAI. SIGMA can also draw on other official reports that provide evidence of the effectiveness of contract management mechanisms.</p> <p>Interviews with the central procurement institutions, contracting authorities/entities and economic operators.</p>
Point allocation	<p>For each of the following three criteria, 2 points are awarded (total of 6 points):</p> <ul style="list-style-type: none"> <li>• The applicable legislation regulates the management of procurement contracts;</li> <li>• Contracting authorities have access to guidelines and good practice examples on contract management, complementing the provisions in primary law;</li> <li>• Reports from the SAI do not identify systemic weaknesses in contracting authorities' management of contracts in the latest full calendar year covered by the reports.</li> </ul>
<b>Sub-indicator 13</b>	<b>Contracts amended after award (%)</b>

Methodology	Analysis of administrative data to calculate the number of contracts amended in the latest full calendar year as a share of the total number of contracts concluded the same year, expressed as a percentage. Framework agreements and call-offs under them are excluded from the calculation.
Point allocation	<ul style="list-style-type: none"> <li>• 4 points = less than 5%</li> <li>• 3 points = 5%-9.99%</li> <li>• 2 points = 10%-14.99%</li> <li>• 1 point = 15%-25%</li> <li>• 0 points = above 25%, or no reliable data is collected</li> </ul>
<b>Sub-indicator 14</b>	<b>Use of <i>ex-post</i> evaluation of the procurement process and of contract performance</b>
Methodology	<p>Expert review of legislation and of internal acts of contracting authorities/entities.</p> <p>Interviews with contracting authorities/entities, economic operators, external auditors, and NGOs.</p> <p>Review of reports and analyses of public procurement operations prepared by contracting authorities/entities, public procurement authorities, the SAI and other institutions.</p>
Point allocation	<p>For each of the following two criteria, 3 points are awarded (total of 6 points):</p> <ul style="list-style-type: none"> <li>• The public procurement procedures used and the performance of the contracts concluded are systematically evaluated after the contracts have been closed;</li> <li>• The results of contract execution as well as problems arising during contract execution are taken into consideration in preparation of the next procurement procedures.</li> </ul>
<b>Risk management for preserving the integrity of the public procurement system</b>	
<b>Sub-indicator 15</b>	<b>Existence of basic integrity tools</b>
Methodology	<p>Expert review of reports on corruption risks and risk mitigation results, guidelines on how to assess and mitigate integrity risks in public procurement procedures, an available red flag system, and training programmes developed by the central procurement institutions.</p> <p>Interviews with contracting authorities/entities, economic operators, external auditors, and NGOs.</p> <p>Integrity training programmes are considered relevant and effective if they have been developed for the procurement workforce in the public sector, and specific measures are implemented to raise the awareness and knowledge of procurement officials and other stakeholders about integrity risks and the corresponding risk management strategies, implementation plans and measures to be taken.</p> <p>Integrity tools for procurement officials are tools for managing conflict of interest, regulating disclosure of information, and codes of conduct or ethics that have been adapted to the specific risks of the procurement cycle and are applicable to public procurement officials.</p>

Point allocation	For each of the following two criteria, 2 points are allocated (total of 4 points): <ul style="list-style-type: none"><li>• Existence of relevant and effective integrity training programmes;</li><li>• Existence of integrity tools for procurement officials.</li></ul>
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#### Definitions of key terms and official data classifications used (if applicable)

**Tender documentation:** documentation prepared by a contracting authority/entity that includes all important conditions and requirements for submission of tenders.

**Technical specification:** detailed description of requirements and standards for the procured work, supply or service.

**Competitive procedure:** public procurement procedure with publication of a notice inviting prospective tenderers to tender or to submit a request for participation.

**Tender:** commercial offer submitted by a tenderer to the contracting authority/entity within the appropriate time frame, in response to a tender notice.

#### Comparability

**Sub-indicator 4: Perceived fairness of procedures by businesses (%)**

**Sub-indicator 5: Contracts awarded by competitive procedures (%)**

**Sub-indicator 6: Contracts awarded based on acquisition price only (%)**

**Sub-indicator 7: Average number of tenders submitted per competitive procedure**

The EU Single Market Scoreboard and Tenders Electronic Daily (TED) data available on the Open Data Portal<sup>123</sup> provide comparative data on performance of public procurement systems in the EU member countries, including: proportion of contracts awarded where there was just one bidder; proportion of procurement procedures that were negotiated with a company without a call for tender; time between the deadline for receipt of offers (or requests to participate) and the award of the contract; award criteria: whether the public buyers decide only on the basis of price, or also take quality into account; the value of procurement advertised on TED as a proportion of the national gross domestic product.

#### Data validation and quality assurance by SIGMA

The accuracy of the assessment is ensured by sending the draft report to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. Information provided by survey respondents and quantitative data on the performance of the public procurement system is triangulated with other sources of information (e.g. studies prepared by other public bodies and institutions independent of the government).

### Principle 14: Contracting authorities and entities have the appropriate capacities and practical guidelines and tools to ensure professional management of the full procurement cycle.

#### Indicator 6.14.1: Availability and quality of support to contracting authorities and economic operators to strengthen professionalisation of procurement operations

This indicator measures the availability and quality of support given to contracting authorities and economic operators to develop and improve the knowledge and professional skills of procurement officers and to advise them in preparing, conducting and managing public procurement operations.

<sup>123</sup> [http://ec.europa.eu/internal\\_market/scoreboard/performance\\_per\\_policy\\_area/public\\_procurement/index\\_en.htm](http://ec.europa.eu/internal_market/scoreboard/performance_per_policy_area/public_procurement/index_en.htm).

This support is usually provided by a central procurement institution.

This indicator does not directly measure the capacity of contracting authorities and entities. The assessment is of the scope of the support (whether all important stages of the procurement cycle are covered), its extent, and its quality and relevance for practitioners (whether it provides useful, practical guidance and examples). Surveys of contracting authorities and economic operators are used to gauge the relevance and practical applicability of the support.

Sub-indicator	Maximum points
<b>Availability and quality of manuals, guidelines, standard tender documents and other operational tools</b>	
1. Availability and quality of manuals and guidelines	5
2. Availability and quality of standard tender documents, standard forms and standard contract models	5
<b>Availability and quality of training and advisory support</b>	
3. Access to quality training for procurement staff	5
4. Availability of advice and support for contracting authorities and economic operators	5
<b>Procurement procedures cancelled</b>	
5. Procurement procedures cancelled (%)	5
Total points	0-4      5-8      9-12      13-16      17-20      21-25
<b>Final indicator value</b>	<b>0      1      2      3      4      5</b>

#### Full description of each sub-indicator

<b>Availability and quality of manuals, guidelines, standard tender documents and other operational tools</b>	
<b>Sub-indicator 1</b>	<b>Availability and quality of manuals and guidelines</b>
Methodology	<p>Expert review of manuals and guidelines.  Review of websites where materials are supposed to be available.  Interviews with users and experts.</p> <p>The relevant stages of the procurement process are market analysis, budgeting, design of contract documentation, choice of contracting strategy and tendering method, determination of selection and award criteria, evaluation of tenders, and award and management of contracts.</p> <p>Surveys of contracting authorities/entities and economic operators and analysis of the following question for those that had used the guidelines/manuals in the past three years: "In general, how useful were the guidelines and manuals you used for solving your practical problems?" Equal weight is given to both groups when calculating the average.</p>
Point allocation	<p>For each of the following five criteria, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• Available manuals and/or guidelines cover all relevant stages of the</li> </ul>

	<p>procurement process;</p> <ul style="list-style-type: none"> <li>• Available manuals and/or guidelines provide detailed explanations and practical examples;</li> <li>• The guidelines and/or manuals cover the specificities of procurement for key sectors (health sector, road construction and maintenance, IT supplies and services);</li> <li>• The guidelines and/or manuals are up to date;</li> <li>• At least 65% of contracting authorities/entities and economic operators find the guidelines and manuals useful or very useful.</li> </ul>
<b>Sub-indicator 2</b>	<b>Availability and quality of standard tender documents, standard forms and standard contract models</b>
Methodology	<p>Expert review of standard tender documents and forms.</p> <p>Review of websites to verify availability of the tender documents and forms.</p> <p>Interviews with users and experts.</p> <p>Surveys of contracting authorities/entities and economic operators and analysis of the following question for those that had used the standard forms/models in the past three years: "How would you rate the usefulness of the standard forms or models?" Equal weight is given to both groups when calculating the average.</p>
Point allocation	<p>For each of the following five criteria, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• There are standard forms for the key elements of the procurement procedure (contract notice, qualification form, evaluation form, contract award notice, model tender, model contract conditions);</li> <li>• Available standard forms and/or models provide detailed explanations and practical examples;</li> <li>• The standard forms cover the specificities of the key types of procurement (works, supplies, services);</li> <li>• The standard forms and/or models are up to date;</li> <li>• At least 65% of contracting authorities/entities and economic operators find the standard forms or models useful or very useful.</li> </ul>

Availability and quality of training and advisory support	
Sub-indicator 3	<b>Access to quality training for procurement staff</b>
Methodology	<p>Expert review of training materials, curricula and trainer profiles.</p> <p>Interviews with users and experts.</p> <p>Surveys of contracting authorities/entities and economic operators and analysis of the following question for those that had attended training in the past three years: "How would you rate the usefulness of the training in general?" Equal weight is given to both groups when calculating the average.</p>
Point allocation	<p>For each of the following five criteria, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• Regular training (at least once a year, or after every major change of legislation) is available for procurement officers (contracting authorities/entities);</li> <li>• Training is available for economic operators;</li> <li>• Training materials provide comprehensive, practical information about the procurement practice;</li> <li>• Training materials are up to date;</li> <li>• At least 65% of contracting authorities/entities and economic operators find the training provided useful or very useful.</li> </ul>
Sub-indicator 4	<b>Availability of advice and support for contracting authorities and economic operators</b>
Methodology	<p>Expert review of information and guidance documents.</p> <p>Review of websites for information and guidance.</p> <p>Interviews with users and experts.</p> <p>The key institutions for the interpretation of the public procurement legislation are the central procurement institutions, the procurement review body, the SAI and the competition agency.</p> <p>Surveys of contracting authorities/entities and economic operators and analysis of the following question for those that had requested advice or other support in the past three years: "Were the answers provided generally helpful?" Equal weight is given to both groups when calculating the average.</p>
Point allocation	<p>For each of the following five criteria, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• A facility (helpdesk, hotline) is in place to quickly answer questions about practical application of procurement rules for contracting authorities/entities;</li> <li>• Economic operators (especially small and medium-sized enterprises) have access to professional procurement support and advice;</li> <li>• A regularly updated collection of solutions to the most common practical problems faced by practitioners is available online;</li> <li>• A mechanism is in place to co-ordinate the interpretation of public procurement legislation between the key institutions involved;</li> <li>• At least 65% of contracting authorities/entities and economic operators find the advice provided helpful.</li> </ul>

#### Procurement procedures cancelled

Sub-indicator 5	<b>Procurement procedures cancelled (%)</b>
Methodology	Analysis of administrative data to calculate the share of procurement procedures cancelled for reasons other than a decision by a first-instance or second-instance review body in the latest full calendar year, expressed as a percentage of the total number of procurement procedures in the same year.
Point allocation	<ul style="list-style-type: none"> <li>• 5 points = below 5% of procedures cancelled</li> <li>• 4 points = 5%-9.99% of procedures cancelled</li> <li>• 3 points = 10%-14.99% of procedures cancelled</li> <li>• 2 points = 15%-19.99% of procedures cancelled</li> <li>• 1 point = 20%-24.99% of procedures cancelled</li> <li>• 0 points = 25% or more of procedures cancelled</li> </ul>

#### Definitions of key terms and official data classifications used (if applicable)

**Procurement staff:** staff of the contracting authorities (usually employed in the relevant organisational unit of the contracting authority/entity) explicitly tasked with handling procurement issues, specifically running the procurement proceedings.

#### Data validation and quality assurance by SIGMA

The accuracy of the assessment is ensured by sending the draft report to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature. Information provided by survey respondents is triangulated with other sources of information (e.g. studies prepared by other public bodies and institutions independent of the government).

## External audit

**Principle 15: The independence, mandate and organisation of the supreme audit institution are established, protected by the constitutional and legal frameworks and respected in practice.**

### Indicator 6.15.1: Independence of the supreme audit institution

This indicator measures the extent to which external audit by the supreme audit institution (SAI) is conducted independently, and the internationally recognised conditions for the effective functioning of the SAI are found in law and practice.

Sub-Indicators	Maximum points
1. Constitutional and legal independence of the SAI	4
2. Organisational and managerial independence of the SAI	5
3. Adequacy of the SAI mandate and alignment with International Standards of Supreme Audit Institutions (ISSAIs)	3
4. Access to information and premises	1
5. Perceived independence of the SAI by the population (%)	3
Total points	0-2      3-5      6-8      9-11      12-14      15-16
Final indicator value	0      1      2      3      4      5

### Full description of the indicator and the sub-indicators:

<b>Sub-indicator 1</b>	<b>Constitutional and legal independence of the SAI</b>
Methodology	Review of the constitution and legislative framework.
Point allocation	Points are awarded for each of the following three criteria (total of 4 points): <ul style="list-style-type: none"> <li>• The constitutional framework ensures the independence of the SAI (2 points);</li> <li>• The legal framework further defines the independence, mandate and organisation of the SAI in a law (1 point);</li> <li>• The legal framework provides adequate protection by a supreme court against any interference with the SAI's independence and audit mandate (1 point).</li> </ul>
<b>Sub-indicator 2</b>	<b>Organisational and managerial independence of the SAI</b>
Methodology	Review of the legislative framework and interviews with the SAI.

Point allocation	<p>For each of the following five criteria, 1 point is awarded (total of 5 points):</p> <ul style="list-style-type: none"> <li>• There has been no removal of the head or members of the SAI for reasons not specified in the legal framework, and not without following due legal process, in the past three years;</li> <li>• The last appointment of the head of the SAI was carried out according to the legal framework;</li> <li>• The executive (e.g. MoF) has no direct control or direction over the budget formulation and approval of the SAI's financial resources;</li> <li>• The executive (e.g. MoF) has no control or direction over how the SAI uses its financial resources and executes its budget after its approval by the parliament;</li> <li>• The SAI is free from undue direction or interference from the legislature or the executive in the organisation and management of its office, including individual recruitment decisions in line with the SAI law.</li> </ul>
<b>Sub-indicator 3</b>	<b>Adequacy of the SAI mandate and alignment with International Standards of Supreme Audit Institutions (ISSAIs)</b>
Methodology	<p>Review of the SAI law and interviews with the SAI.</p> <p>Audit reports can also be submitted to responsible public bodies other than the legislature as long as this is foreseen by the legislation. Reports must be made publicly available, except in specific circumstances when that is not possible due to data protection or other similar legal provisions.</p>
Point allocation	<p>For each of the following three criteria, 1 point is awarded (total of 3 points):</p> <ul style="list-style-type: none"> <li>• The SAI is empowered by law to carry out financial, compliance and performance audits;</li> <li>• All public financial operations, regardless of whether and how they are reflected in the national budget, are subject to audit by the SAI;</li> <li>• The SAI submits audit reports to the legislature and makes them publicly available.</li> </ul>
<b>Sub-indicator 4</b>	<b>Access to information and premises</b>
Methodology	<p>Review of the SAI law and interviews with the SAI.</p> <p>The analysis verifies whether the legal framework provides the mandate for access to all information, documentation and other material evidence to carry out audit work.</p>
Point allocation	<ul style="list-style-type: none"> <li>• 1 point = access is mandated in the legal framework.</li> <li>• 0 points = access is not mandated in the legal framework.</li> </ul>
<b>Sub-indicator 5</b>	<b>Perceived independence of the SAI by the population (%)</b>
Methodology	<p>Analysis of responses by a representative sample of citizens to a Balkan Barometer survey, or similar. The respondents are asked if they agree with the following statement: "Do you agree that the following institutions are independent of political influence?"</p> <p>Assessors measure the percentage of respondents who answer "strongly agree" and "tend to agree" for the SAI.</p>

Point allocation	<ul style="list-style-type: none"><li>• 3 points = 65% or more</li><li>• 2 points = 50%-64.99%</li><li>• 1 point = 35%-49.99%</li><li>• 0 points = below 35%</li></ul>
Definitions of key terms and official data classifications used (if applicable)	

**International Standards of Supreme Audit Institutions (ISSAI):** standards issued by the International Organization of Supreme Audit Institutions (INTOSAI). Among them, the following two documents are applied to assessments under this indicator: 1) ISSAI 1: The Lima Declaration adopted in October 1977 at the IX Congress of the International Organization of Supreme Audit Institutions (INCOSAI) in Lima; and 2) ISSAI 10: Mexico Declaration on SAI Independence adopted at the XIX INCOSAI meeting in Mexico.

**Supreme audit institution (SAI):** public body which, however designated, constituted or organised, exercises by virtue of law, the highest public auditing function<sup>124</sup>.

#### Comparability

The PEFA framework for assessing PFM provides assessment of selected countries with regard to independence of the SAI. Data is available online<sup>125</sup>.

The SAI Performance Measurement Framework (SAI PMF), developed by INTOSAI, provides SAIs with a framework for voluntary assessments of their performance against the ISSAIs and other established international good practices for external public auditing. A global overview of SAI PMF assessments is available online<sup>126</sup>.

#### Known limits and bias of data

##### **Sub-indicator 5: Perceived independence of the SAI by the population (%)**

Survey respondents will seldom have direct experience engaging with the SAI, so their views may be based on secondary sources, such as the media and civil society reports. If the media or civil society do not report accurately on the independence of the SAI, participants' perceptions will reflect that.

#### Data validation and quality assurance by SIGMA

The accuracy of the assessment is ensured by sending the draft report to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature. Survey data received from the Balkan Barometer, or similar, is checked by SIGMA in terms of compliance with the predefined methodology of the survey. SIGMA also triangulates this data by searching for other sources of information on each topic (e.g. studies prepared by other public bodies and institutions independent of the government).

<sup>124</sup> EC (2006), *Welcome to the World of PIFC*, European Commission, Brussels,  
[http://ec.europa.eu/budget/library/biblio/documents/control/brochure\\_pifc\\_en.pdf](http://ec.europa.eu/budget/library/biblio/documents/control/brochure_pifc_en.pdf).

<sup>125</sup> [https://pefa.org/assessments/listing?f\[0\]=field\\_assessment\\_region%3A260](https://pefa.org/assessments/listing?f[0]=field_assessment_region%3A260).

<sup>126</sup> <http://www.idi.no/en/idi-cpd/sai-pmf>.

**Principle 16: The supreme audit institution applies standards in a neutral and objective manner to ensure high-quality audits, which positively impact on the functioning of the public sector.**

**Indicator 6.16.1: Effectiveness of the external audit system**

This indicator measures the extent to which external audits contribute to improved management of public finances and how the supreme audit institution applies standards to ensure high-quality audits (e.g. through its manuals and quality assurance system).

Sub-indicators	Maximum points
1. Coverage of mandate by external audit	6
2. Compliance of audit methodology with ISSAIs	6
3. Quality control and quality assurance of audits	6
4. Implementation of SAI recommendations (%)	6
5. Use of SAI reports by the legislature	6
Total points	0-6      7-11      12-16      17-21      22-26      27-30
<b>Final indicator value</b>	<b>0      1      2      3      4      5</b>

**Full description of each sub-indicator**

Sub-indicator 1	Coverage of mandate by external audit
Methodology	<p>The information is retrieved from the SAI's database. Assessors calculate the percentages based on the information provided and verify that the reports are public.</p> <p>The assessment of coverage of financial/compliance audit includes the consolidated fund and execution of the state budget.</p> <p>For performance audit, the following sectors/topics are defined: defence, economic development, education, environment, justice and police, health, public administration, infrastructure, social security and labour market, foreign affairs.</p>
Point allocation	<p>Coverage of financial/compliance audit:</p> <ul style="list-style-type: none"> <li>• 3 points = 100% of mandatory audits are carried out and the SAI has reported during the latest full calendar year on the results to those charged with governance.</li> <li>• 2 points = 75%-99.99% of mandatory audits are carried out and the SAI has reported during the latest full calendar year on the results to those charged with governance.</li> <li>• 1 point = 50%-74.99% of mandatory audits are carried out and the SAI has reported during the latest full calendar year on the results to those charged with governance.</li> <li>• 0 points = fewer than 50% of mandatory audits are carried out.</li> </ul>

	<p>Coverage of performance audit:</p> <ul style="list-style-type: none"> <li>• 3 points = the SAI has issued reports covering at least five of the defined sectors/topics during the latest full calendar year.</li> <li>• 2 points = the SAI has issued reports covering three to four of the defined sectors/topics during the latest full calendar year.</li> <li>• 1 point = the SAI has issued reports covering one to two defined sectors/topics during the latest full calendar year.</li> <li>• 0 points = the SAI has not issued any performance audit reports during the latest full calendar year.</li> </ul>
<b>Sub-indicator 2</b>	<b>Compliance of audit methodology with ISSAIs</b>
Methodology	Assessment of the level of compliance with the audit methodologies outlined in the SAI's manuals/guidance with the requirements of the ISSAIs.
Point allocation	<p>Financial audit manual:</p> <ul style="list-style-type: none"> <li>• 2 points = the SAI has adopted manuals that are in full accordance with ISSAIs 1000-1810, or other authoritative standards consistent with the principles in ISSAI 200.</li> <li>• 1 point = the SAI has adopted manuals that are consistent with the principles in ISSAI 200.</li> </ul> <p>Compliance audit manual:</p> <ul style="list-style-type: none"> <li>• 2 points = the SAI has adopted manuals that are in full accordance with ISSAIs 4100 or 4200, or other authoritative standards consistent with the principles in ISSAI 400.</li> <li>• 1 point = the SAI has adopted manuals that are consistent with the principles in ISSAI 400.</li> </ul> <p>Performance audit manual:</p> <ul style="list-style-type: none"> <li>• 2 points = the SAI has adopted manuals that are in full accordance with ISSAI 3000, or other authoritative standards consistent with the principles in ISSAI 300.</li> <li>• 1 point = the SAI has adopted manuals that are consistent with the principles in ISSAI 300.</li> </ul>
<b>Sub-indicator 3</b>	<b>Quality control and quality assurance of audits</b>
Methodology	<p>Expert review of the SAI quality-control and quality-assurance system to assess compliance with ISSAIs and whether the outcomes provide assurance that audits have been conducted in line with ISSAIs.</p> <p>To provide reasonable assurance that quality-control and quality-assurance arrangements are adequate and operating effectively, the policies and procedures must establish requirements for the supervision and review of all work (quality control) and for monitoring arrangements (quality assurance) to be in place.</p>

<b>Point allocation</b>	<p>Points are awarded for each of the following five criteria (total of 6 points):</p> <ul style="list-style-type: none"> <li>• The SAI has established policies and procedures for quality control and quality assurance covering all its work (2 points);</li> <li>• Quality-control and quality-assurance arrangements are adequate and operating effectively (1 point);</li> <li>• In line with the SAI's policies, individual audits are selected for (engagement) quality-control review, and the results of the reviews are reported to management (1 point);</li> <li>• The monitoring arrangements established include the review and assessment of a sample of completed audits across the range of work conducted by the SAI (1 point);</li> <li>• The results of the (engagement) quality-control reviews and monitoring arrangements indicate that audits have been conducted in accordance with auditing standards and the results are consistent with the audit evidence (1 point).</li> </ul>
<b>Sub-indicator 4</b>	<b>Implementation of SAI recommendations (%)</b>
<b>Methodology</b>	<p>The data is taken from the SAI report. The percentage reported is an average of all types of audits conducted by the SAI, based on the number of recommendations made by the SAI the year prior to the latest full calendar year that are implemented by the end of the latest full calendar year.</p>
<b>Point allocation</b>	<ul style="list-style-type: none"> <li>• 6 points = more than 80% of recommendations implemented.</li> <li>• 5 points = 70%-80% of recommendations implemented.</li> <li>• 4 points = 60%-69.99% of recommendations implemented.</li> <li>• 3 points = 50%-59.99% of recommendations implemented.</li> <li>• 2 points = 40%-49.99% of recommendations implemented.</li> <li>• 1 point = 30%-39.99% of recommendations implemented.</li> <li>• 0 points = below 30% of recommendations issued or the SAI does not systematically collect and publish information on follow-up of its recommendations.</li> </ul>
<b>Sub-indicator 5</b>	<b>Use of SAI reports by the legislature</b>
<b>Methodology</b>	<p>Expert review of the reporting practices of the SAI and the number of parliamentary sessions held to discuss the reports, including their timeliness. Parliamentary records are used for verification.</p>

Point allocation	Points are awarded for each of the following four criteria (total of 6 points): <ul style="list-style-type: none"><li>• A formal mechanism for handling SAI reports in the parliament exists, including a committee formally dedicated to handling SAI reports (2 points);</li><li>• Reports are considered within three months of being submitted to the parliament (1 point);</li><li>• The committee has held at least five hearings with auditees during the latest full calendar year (2 points);</li><li>• The committee reaches independent decisions and makes recommendations for follow-up (1 point).</li></ul>
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#### Definitions of key terms and official data classifications used (if applicable)

**Financial/compliance/performance audits:** the analysis distinguishes between financial, compliance and performance audits, in line with the ISSAIs. Many SAIs will conduct financial and compliance audits together in one “regularity audit”. In these cases, the regularity audit should be reviewed, and the reviewer should separate the financial and compliance aspects of the audit. If such separation is not feasible, the scores for the financial and compliance audits will be equal.

For coverage of financial audit, mandatory audits are those that the SAI is legally obliged to carry out on an annual basis.

For coverage of performance audit, the following sectors are defined: defence, economic development, education, environment, justice and police, health, public administration, infrastructure, social security and labour market, and foreign affairs.

**Quality control/quality assurance:** the SAI’s system for quality control of audit processes is the sum of all measures taken to ensure high quality of each audit product, and it is carried out as an integrated part of the audit process. Quality assurance is a process of assessing and monitoring the system of quality control, to ensure that the system of quality control is working effectively and that audits are carried out in compliance with established standards, rules, practices and procedures. The quality-assurance process should include a review of a sample of completed work across the type of audits carried out by the SAI, and should be carried out by individuals who have not participated in the audit process they are reviewing.

#### Comparability

##### **Sub-indicator 2: Compliance of audit methodology with ISSAIs**

The PEFA framework for assessing PFM provides assessment of selected countries with regard to audit coverage and standards. Data is available online<sup>127</sup>.

#### Known limits and bias of data

##### **Sub-indicator 4: Implementation of SAI recommendations (%)**

This indicator relies entirely on information provided by the SAI. SIGMA does not examine evidence of actual implementation of SAI recommendations.

#### Data validation and quality assurance by SIGMA

The basis for judgements of most of the elements of this indicator is administrative data provided to SIGMA by the SAI. SIGMA validates the coverage of performance audits, but not financial audits.

<sup>127</sup> [https://pefa.org/assessments/listing?f\[0\]=field\\_assessment\\_region%3A260](https://pefa.org/assessments/listing?f[0]=field_assessment_region%3A260).

The accuracy of the assessment is ensured by sending the draft report to the state administration for fact-checking. If the authorities can provide evidence that findings are not correct, they are revised in the final version of the report. To facilitate interpretation of the legal provisions, SIGMA conducts interviews or consultations with NGOs, academics and other stakeholders, and analyses relevant jurisprudence and academic literature. Information provided by survey participants is triangulated with other sources of information (e.g. studies prepared by other public bodies and institutions independent of the government).

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