South-Eastern European developments on the administrative convergence and enlargement of the European Administrative Space in Balkan states

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Reforms of Bulgarian public administration

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INTRODUCTION

The construction of Europe is having an increasing impact on the domestic policies of Member States. In the context of setting up a European administrative space, Community law affects basic principles, the process of opening up careers and working conditions for civil servants. Administrative co-operation between States outside the scope of Community competence has an impact in terms of social intercourse, the development of common methods and approaches and the invention of new instruments.

As far as administrative organisation is concerned, the consequence is that a often a common understanding of models, institutions, and concepts is taken for granted, whereas in reality clichés and misunderstandings dominate as soon as exchanges between officials and politicians go beyond a very strictly defined and restricted policy area. Management consultants, and also many academics, are not better at using the tools of comparative analysis, and it is therefore necessary to draw attention of policy-makers to certain key concepts and phenomena that need to be taken into account when reflecting upon the reform of public administration.

Practitioners often refer to "models", while social scientists familiar with Max Weber's categories refer to "ideal types". What these two formulations, which refer to a simplified description of reality for the purpose of analysis and evaluation, have in common is that they easily mislead listeners and readers into believing that a description or analysis is to be taken as a prescription (a model that would have to be followed and regarded as the ideal, in the sense of the best form). To avoid this danger, others (academics, as well as politicians, public officials and journalists) use the word "paradigm", which is only clear to those who know its etymology1 (The word paradigm comes from the Greek word παράδειγμα which means "pattern" or "example", from the word παραδεικνύναι meaning "demonstrate") whereas it is "a word too often used by those who would like to have a new idea but cannot think of one."2 (Mervyn Allister KING, former Deputy Governor, Bank of England (source Wikipedia, the Free Encyclopaedia, http://en.wikipedia.org).

The term "paradigm" is very often used when addressing what is referred to as a "paradigm shift"3 (source Wikipedia, the Free Encyclopaedia, http://en.wikipedia.org), "European Models of Government: Towards a Patchwork with Missing Pieces, i.e. a change in the dominant concept or model, and is thus especially fashionable in the literature on reform and management of change. Much of the literature about agencification refers to a "paradigm shift" in the organisation of government. Although this might be true for single countries (the UK in the 1980s especially), there is no empirical evidence that it is true for all or even the majority of European union countries, as many of the

organisational forms examined under the topic of "distributed governance" have existed for 50 years or even a century or more.

This notwithstanding, it is important to realise that most western European systems of government indeed were built in the 19th-20th centuries, based on patterns that were similar enough to be considered as a "European standard model of administration", which is totally different from the Swedish And US models of government 4 (Jacques Ziller (2001), "European Models of Government: Towards a Patchwork with Missing Pieces" in Parliamentary Affairs, pp. 102-119).

Establishing effective administrative structures in Bulgaria and attaining high-quality administrative service delivery focused on citizens and business, will contribute to enhancing the competitiveness of the country. Applying good governance principles, introducing information technologies (IT) in the work of the state administration, as well as developing the competencies of the civil servants, form an integral part of the implementation of the reforms.

The activities on the modernisation of the state administration are fully in compliance with the priorities in European union and objectives of the Lisbon Strategy. The aim is to enhance transparency and to improve administrative service delivery through higher effectiveness of the state administration. This is a precondition for achieving sustainable economic growth and more and better jobs.

The Ministry of State Administration and Administrative Reform (MSAAR) was established with a Decision of the National Assembly of the Republic of Bulgaria from 16 August 2005.

The MSAAR set itself the ambitious task to contribute to the building of the necessary administrative capacity and to the overall modernisation of the Bulgarian state administration. This objective is in line with the European initiatives for achieving a better functioning society and a more competitive and effective economy through:

- **Decreasing the distance and mistrust between citizens and institutions**

- **Enhancing communication, transparency an broader access to information**

- **Improving business environment**

The main priorities of the MSAAR for the period 2006 – 2009 were:

- **Modernisation and organisational development of the state administration**

- **Training and development of human resources**

- **Development of the e-government**

- **Improving and streamlining the administrative regulation and service delivery**

- **Enhancing transparency and integrity in the state administration**

- **Contribution to the process of European integration and administrative capacity building under the conditions of full-fledged EU membership. Regional coordination**

After the Parliamentary Elections 2009 MSAAR become part of Ministry of Finances.

The strengthening of the institutional and administrative capacity is a new priority for the next programming period 2007-2013, and the Member States are given the possibility to use resources from the European Social Fund. The recommendation of the European Commission concerning the elaboration of an Operational Programme "Administrative Capacity" (OPAC) was addressed to Bulgaria is in response of the need for developing and strengthening the administrative capacity (at all levels – central, regional and municipal) for effective and efficient work in the context of EU membership.

# I.	SITUATION ANALYSIS OF THE STATE ADMINISTRATION

The reform of the state administration started some time before Bulgaria's accession to the EU with the strong support of the European Commission. In the year 2000, one of the key recommendations of the Commission to Bulgaria as a candidate country made in the PHARE 2000 review was that the country should revise and reconsider fundamentally its public administration reform.[1] Since 2003, following the adoption of key legislation, reforms in various spheres of the administration have been undertaken following the general European trends and good practices, given that at the European level there is no single strategy for strengthening the capacity of the state administration nor is there a unified model for its most effective functioning.

In recent years the reform of the Bulgarian state administration has been relying on national funding as well as on support from the PHARE pre-accession programme. In the 1998-2006 programming period PHARE's support for the reform of Bulgaria's state administration and judicial system totalled about EUR 304 mln. The goals and outcomes expected from this support for the period 2004-2006 were set out in the Multiannual Programming Document of the Ministry of Finance (MF). The focus of support in the area of state administration reform shifted from assistance to amendment the legislative framework towards the problems related to its enforcement as well as to anticorruption measures.

The opportunities for improving the quality of human resources provided by the EU Cohesion Policy, and in particular by the European Social Fund, will be used for the

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[1] PHARE 2000 Review *Strengthening Preparations for Membership*. Communication from Mr Verheugen. COM(2002)3103/2 October 2000

successful continuation of the administrative reform. This will help improve the business environment and strengthen the competitiveness of the Bulgarian economy.

The analysis provided herewith presents the state of the administration at central, regional and local level and its preparedness to work in the context of EU membership. The analysis depicts the basic tendencies, challenges and prospects in the modernisation of the state administration for the 2007 to 2013 period.

1. Legislative framework

1.1. Regulatory acts

Over the past few years the Bulgarian government adopted and improved the key legal acts on the structure and functions of the administration and the necessary secondary legislation for their implementation[2]. In 2006 important amendments were made to the two basic acts in this sphere: the Law on Administration (LA) and the Law on Civil Servants (LCS). The LA amendments were related to the implementation of the administrative reform: distinguishing the political from the administrative level in the state administration, regulating the policy-making process and creating effective internal control. The LCS amendments continue the process of modernisation of the Bulgarian state administration in the area of human resources management and aim at improving the status of civil servants and increasing their motivation.

An Administrative Procedure Code (APC) was also adopted in 2006. It constitutes an important step in the establishment of a responsible and transparent state administration. The APC will help to improve administrative service delivery and also responds to the need to create a systematic and unified legal framework regulating the procedures for issuing and appealing against administrative acts. The principles of accessibility, publicity and transparency of administrative proceedings were introduced.

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[2] See Annex 3

A Law on e-Government was adopted at the end of May 2007. It will lay the ground for a substantial reform in the administration's work thanks to the introduction of new information technologies and the parallel use of paper and electronic documents. The law envisages the automation of administrative procedures, the introduction of transparency in administrative processes and a reduction in the opportunities for corrupt practices as well as a reduction in administrative costs.

1.2.   Implementation of the legislation

Effective and efficient implementation of the legislation is a process which requires well planned activities and coordination between all stakeholders.

The improvement of the legal framework is a necessary step towards increasing the efficiency of the central and territorial administrations, improving administrative services, reducing the costs of the business sector and the citizens for working with the administration and optimising feedback mechanisms.

However, this transformation cannot be done by legislative measures alone. What is also needed is a common understanding of the essence of the changes, the development of an administrative culture and adequate political support. In addition, the effective and efficient implementation of legislation is a process which requires well planned activities and coordination between all stakeholders.

The first step to overcome these obstacles has been the creation of the Ministry of State Administration and Administrative Reform (MSAAR).. The Ministry has defined the main priorities based on the principles which were introduced during the previous stages of the reform: training and human resources management in the state administration, improving administrative service delivery and regulation, development of e-Government, continuing modernisation and enhanced transparency and accountability.

The MSAAR has elaborated different instruments with which to support the implementation of these priorities[3]. With the opportunities and resources of OPAC the

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[3] For example: The Transparency Programme for the State Administration and the High-Level State Officials Activity, Human Resource Management in the State Administration Strategy, Strategy for Training the Employees in the Administration, Law on e-Governance

Ministry has the central task of creating the preconditions for a successful completion of the administrative reform.

The legal framework for the state administration reform has now been to a large extent adopted and its scope is satisfactory. The main challenge will be to ensure its effective enforcement in the coming years. At the same time an efficient system for monitoring the implementation of strategies and the enforcement of legislation needs to be set up.

2. Administrative Structures and Institutional Building

The administration cannot function effectively without a clear vision on the institutional building of the administrative structures. At this stage the main priority of the reform in the administration is its **optimisation** at central, regional and municipal levels through modernisation and organisational development. The creation of new administrations, the restructuring of existing ones, the closing down of ineffective structures and units, their optimisation, as well as their organisational development are not aimed at achieving **a larger, but a better organized, more effective and politically neutral administration.**

2.1. Structure of the Administration and Distribution of Functions

The administration of executive power in Bulgaria is performed at **central and territorial levels**[4]**.** In 2008 the total number of administrative structures was 551. The central administration includes the administration of the Council of Ministers (CoM), the ministries, executive agencies, state commissions, administrative structures established by a regulatory instrument. The territorial administration includes regional, municipal administrations and specialized territorial administrations established as legal entities by a normative instrument.

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[4] Law on Administration (Art. 37) (see Annex No 3)

The total number of **administrative structures in the central administration is 113** (including the administration of the CoM)[5].

The 28 regional administrations support the activities of the governors. **The governor** is the sole executive body in the region. He/she is appointed with a decision of the CoM to which it reports. He/she exercises state power on the territory of the region, coordinates the work of the executive bodies and their administrations, as well as their interaction with the local authorities, ensuring compatibility between national and local interests in regional policy-making[6]. The activities, structure, organisation of the work and the composition of the regional administration are defined in Rules of Procedure adopted by the CoM. **However, mechanisms have not been created yet for the effective performance of the governor's coordinating role** regarding the deconcentrated administration (the territorial units) of the central executive power.

Bulgaria's 264 municipalities are the basic administrative-territorial units carrying out local self-government. They are established by the CoM according to a procedure specified in the Law on Administrative and Territorial Structure of the Republic of Bulgaria (LATSRB). Mayoralties and districts are composite administrative – territorial units of municipalities[7]. **The municipal administration** supports the activities of the municipal councils and the mayors of municipalities, districts and mayoralties. **The mayor** is the executive body in the municipality[8]. He/she manages all municipal executive activities, organises the disbursement of the municipal budget and of the implementation of long-term programs, organises the implementation of the municipal council's acts and participates in its sessions with the right to an advisory vote; approves the Rules of Procedure of the municipal administration.[9]

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[5] For approximation with the European requirements for Nomenclature of the territorial units for statistics (NUTS), Bulgaria is divided into: two non-administrative-territorial units (North and South Bulgaria) at NUTS   1   level; 6 planning regions at NUTS 2 level; 28 regions at NUTS 3 level

[6] Law on Administration (Art. 29 et seq.) (see Annex No 3)

[7] Mayoralties and wards established by law shall be set up by the municipal councils according to the procedure stipulated by the LATSRB; there are a total of 35 areas in the three largest cities, established by the Law on Territorial Division of Sofia Municipality and the Large Cities (LTDSMLC)

[8] Law on Administration (Art. 33) (See Annex No 3)

[9] Law on Local Self-Governance and Local Administration (Art. 44) (see Annex No 3)

The territorial units of the central executive power, which are deconcentrated units of the separate ministries, form part of the central administration and are quite different in territorial scope, status and internal structure. Even though they employ around 60% of the total state administration, **until now** the deconcentrated units have remained **outside the scope of the reforms implemented in the country** – since 1998 the administrative reform has focused more on the civil service and the management of human resources.

The **lack of effective interaction and links between the territorial units and the municipal administrations** has serious negative consequences. The effectiveness of sectoral policies at municipal level, and therefrom at national level, must be improved.

The distribution of responsibilities, rights and resources between the central, regional and municipal level of government is linked to the process of optimisation of the administrative structures. The new strategic approach set out in the **Decentralisation Strategy** of June 2006[10] requires that this distribution be carried out in connection with the other reforms and processes in the country. The Strategy contains commitments for a deepening of the decentralisation process, an increase in the municipalities' own revenues, an improvement in the quality of services and an increase in the living standard of citizens. The implementation of the Decentralisation Strategy and the Programme for its Implementation for the period 2006-2009 are managed and coordinated by the **Council for Decentralisation of State Governance.** The Decentralisation Strategy is financed by the national budget. The report on the implementation of the Strategy and its Programme in 2006 was adopted in early June 2007.[11]

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[10] See Annex No 3

[11] According to the report, of 29 measures planned for 2006, 12 have been implemented, 15 – partially implemented and 2 have not been implemented. The financial state of the municipalities has improved significantly in 2006. The actual growth in municipal revenue is above 10%, the share of capital expenses of the local authorities reached 21% and the expensed for local services surpasses delegated services by 52.6%. In the past year consensus for Constitutional amendments was reached, which is the first step towards giving tax powers to the local authorities. Also the first changes aimed at consolidating the investment transfers for the municipalities were completed; http://www.government.bg/cgi-bin/e-cms/vis/vis.pl?s=001&p=0175&n=002330&g=

Until recently, the major problem faced by the local authorities, and more specifically the municipal administrations, was the discrepancy between their powers and functions on the one hand and the insufficient resources at their disposal on the other. This was changed by the latest amendment to the **Constitution of the Republic of Bulgaria[12]** – a new procedure for establishing taxes and fees and determining their level was introduced whereby municipalities are entrusted with the power to:

- determine the level of local taxes

- determine the level of local fees.

In 2006-2007 the process of **transfer of functions from the central to the municipal administration** continued, for example in the areas of registration of agricultural and forest equipment, administration of local taxes and fees[13], homes for bringing up children deprived of parental care[14].

> **The main challenges in the reform of administrative structures at the various levels of the executive power are related to:**
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> **• binding the modernisation of the state administration with the decentralisation process**
>
> **• improving the functions and structure of the territorial units of the central executive power**
>
> **• supporting the activities of the governor in ensuring compatibility between the national and local interests and in the role of coordinator of the actions and activities of the heads of territorial units of the central executive power**
>
> **• improving the links between the territorial units of the central executive power and the municipal administrations in the region.**

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[12] Law Amending and Supplementing the Constitution of the Republic of Bulgaria (promulgated SG No 12/06.02.2007) – Fourth amendment (§ 5, § 11) (see Annex No 3)
[13] Report on the State of the Administration, 2006, page 30,
http://www.mdaar.government.bg/docs/Annual%20Report%20%202006_26.07.2007.pdf
[14] Annual Report on the Implementation of the Decentralisation Strategy and the Programme in 2006;
http://www.government.bg/cgi-bin/e-cms/vis/vis.pl?s=001&p=0175&n=002330&g=

2.2 Instruments for Monitoring and Reporting on the Development of Administrative Structures

The Law on Administration regulates the creation of a public Register of Administrative Structures and of the executive bodies' acts to support the achievement of openness, accessibility and coordination of the state administration's work. Information on all executive administrative structures, the regulatory regimes, the total staff numbers, the occupied and vacant staff positions and notices for competitions for civil servants shall be added in the Register.

Since 2003 there has been a significant drop in interest towards the Register, the reasons for which may be sought in the accuracy and actuality of the published information. In 2006 only 46.4% of all administrative structures reported that they had adopted an internal organisation for collecting and registering data in the Register.

A new Internet-based Administrative Register maintained by the MSAAR[15] was created in 2006 in relation to the amendments to the Law on Administration,. It will combine

the Register of Administrative Structures and the Register of Civil Servants "under one roof". The new Register will ensure **free real time access by the administrations, citizens and businesses** to more detailed information on the structures, regimes and administrative services. The launching of the new Register is planned for mid 2007.

> **The successful establishment of the Administrative Register should be followed by measures to guarantee its successful work as well as its regular updating and use for analyses on the state of the state administration.**

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[15] Law on Administration (Art. 61); (see Annex No 3); Ordinance on the Procedure and Conditions for Keeping the Administrative Register, in force as of 1 May 2007

Another instrument for providing information on the administrative structures and the results of their work are the **annual reports** on the activities and state of the administration. Their preparation and publishing, as well as the related system and deadlines, are regulated by regulatory acts[16].

The heads of administrative structures (ministries, state commissions, state and executive agencies, regional and municipal administrations) prepare annual reports on **the activities of their structures**. They report on their performance towards the achievement of the strategic goals and priorities which are set in the programme of the CoM. The reports are published annually by 28 February on the web-site of the respective administrative structure.

Every year, by a deadline set to be 1 March, the heads of the administrative structures in the system of the executive power must present to the Minister of State Administration and Administrative Reform **annual reports on the state of their respective structures.**

> **As a result of the legislative measures which regulate clearly the deadlines and possibilities for publishing reports on the activities and state of the administrations, greater publicity and accountability has been achieved on the activities of the administration, as well as greater security regarding the availability of current information on it.**
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> **The fact that some administrations still do not report their activities or do not provide comprehensive information in the reports is a problem that must be solved. This would not only give a clear idea of the activities of these structures, but would also assist in the identification of measures necessary for their optimisation and for improving the overall process of policy-making and implementation. In order to guarantee effectiveness and to harmonize the future organisational development of the administrative structures with the reported results, a mechanism for performance measurement must be developed (including criteria for**

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[16] Law on Administration (Art. 62); (see Annex No 3)

measuring administrative effectiveness).

3.   Transparency and integrity of the state administration

3.1.   Transparency and accountability

The main trends in the development of the state administration are related to strengthening the **principles of transparency and accountability** as a condition for good governance. Measures for improving the transparency, accountability and integrity of the activity of the state administration have been provided for in the Strategy for Transparent Management and for Preventing and Counteracting Corruption, 2006-2008, as well as in the Programme for Transparency in the Activities of the State Administration and High-Level Officials (Senior Civil Servents), 2006.[17]

According to a study conducted among state administration employees, there has been a considerable change in their opinion with respect to the conducted reforms and the implementation of the Programme for Transparency. **The measures related to achieving openness and transparency** of the administration's activities have received **exceptionally high levels of support (80%)**[18]**.**

The means and tools for achieving greater transparency and better accountability of the administration are many and from different spheres. Those like the Administrative Register and the annual reports on the state of the administration have already been mentioned while others are related to the area of service delivery, e-Governance or human resource management in the administration.

The publication of the **declarations on the property and income of senior level officials** on the Internet is another tool for achieving greater transparency and accountability. After January 2007[19] senior level officials a required to submit their

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[17] See Annex 3

[18] Evaluative survey carried out by "Transparency International" Association among state administration employees in the period 15 and 30.08.2006 on the implementation of the transparency and accountability principles (page 3)

[19] Law Amending and Supplementing the Law on Publicising the Property of the Senior Civil Servants prom. SG No 73/05.09.2006

declarations by 30 April of the calendar year, with an additional term of one month for correcting mistakes. Stricter sanctions for those refusing to submit declarations or submit incorrect information have been introduced.

The mechanism for checking the declarations on the property and income of senior level officials involves a comparison of the submitted information with that contained in the registers of other bodies.[20] The National Audit Office is responsible for coordinating the declarations, checking them and imposing sanctions in case of identified violations. The checks should be completed by 31 October of the calendar year. The incorrect declarations are forwarded to the National Revenue Agency for further control. The declarations and all relevant documents are published on the National Audit Office website.

Within the deadlines provided by law, 816 declarations have been submitted by officials when taking office. The National Audit Office publishes on its website the list of persons that have not submitted their property declaration within the deadlines stipulated by law when taking or leaving office. From 15 May until now the National Audit Office has processed 5,515 declarations and notices. A list of the officials who have not submitted their declarations in the specified timeframes has been sent to the National Revenue Agency.

By 31 March of the calendar year all civil servants are also obliged to declare to the appointing bodies their property and potential conflicts of interest. For the period from April 2006 to March 2007 the "Inspectorate for the State Administration" Directorate within the MSAAR has identified 74 cases of non-submitted property declarations[21] and 63 non-submitted declarations for conflict of interest[22] out of 1,426 checked civil servants' files.

The report on the implementation of the Programme for Transparency in the Activity of the State Administration and High-Level Officials (Senior civil servants)[23] shows that following mechanisms for feedback and submission of signals for corruption

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[20] Such as the Ministry of Finance, the Ministry of Transport, the Ministry of Agriculture and Forestry, the Ministry of Regional Development and Public Works
[21] Civil Servant Act (Art 29).
[22] Civil Servant Act (Art. 29a, para 1).
[23] http://www.mdaar.government.bg/programmes.php

are among the basic **transparency and accountability tools** in the different administrative structures: **Internet addresses** and **hot telephone lines** (82% of the administrative structures), **mailboxes for submitting opinions, assessments and recommendations** (78%) and **ethical codes** (78%). The least used are the questionnaires for administrative services users (46% of the administrative structures).

The Law on the Access to Public Information (LAPI) contributes to greater transparency and accountability. The administrative capacity for implementing LAPI has been gradually developing[24]. Internal rules for working under LAPI have been established within almost half of all administrations and explanatory information for the citizens has been developed. However, only 165 (out of 551) administrative structures can receive applications for access to information electronically. The highly important trainings of state administration employees on implementing LAPI have been decreasing in number since 2004.

> **Although feedback mechanisms have been developed, the low level of public awareness leads to their ineffectiveness. The lack of thorough analysis of the received allegations, opinions and recommendations is still a weakness.**
>
> **It is important to improve the possibilities for access to public information by users, and to this end, the capacity for providing information needs to be strengthened (by reviewing the adequacy of the applied internal rules, by implementing them in more administrations, by increasing the number of trainings for their servants working under LAPI, as well as by improving the possibilities for receiving electronic applications).**
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> **Besides providing public information under LAPI, the trend of giving maximum publicity to the administration's activities should continue.**

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[24] Report on the State of the Administration, 2006, page 144 et seq.,
http://www.mdaar.government.bg/docs/Annual%20Report%20%202006_26.07.2007.pdf

3.2. Anticorruption policy

According to a survey conducted among the users of administrative services[25], the **personal experience of citizens** shows relatively low levels of corruption pressure on the part of the civil servants. The majority of the surveyed persons indicate that they have not been offered the illegal hastening of an administrative procedure and only 2% are sure that they have been in a situation of corruption pressure. The highest levels of scepticism about the integrity of administration employees have been observed among company owners and associates.

The greater part of the objectives of the **National Strategy for Counteracting Corruption 2001** has been achieved, also with the help of PHARE Programme resources – institutions for counteracting corruption in the country have been created; legislative measures have been or are to be adopted, the work of the state administration has been improved[26].

The new **Strategy for transparent management, prevention of and counteracting corruption 2006-2008** builds on the gained experience and specifies priority areas for counteracting and preventing corruption at senior management levels. According to the report on the implementation of the Strategy for 2006, 94 out of 121 measures from the 2006 Action Plan have been implemented and 27 are in the process of implementation and are expected to be completed by the mid-2007.

A **Coordination Council of the Anticorruption Commissions** on central level has been functioning since April 2006 – the commissions for combating corruption under the Supreme Judicial Council (SJC), the National Assembly and the Council of Ministers. The Council meets on a monthly basis on strategic and operational issues, including on specific issues. The main tasks of the Coordination Council are connected with: information exchange, coordination and harmonisation of activities; developing and conducting joint initiatives; specifying priority fields and forms of interaction in the fight

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[25] Inquiry among the users of administrative services conducted by Transparency International in the period 15-30 November 2006 (page 3)
[26] Report on the Implementation of the National Strategy for Counteraction of Corruption for the period 2004-2005, http://www.acc.government.bg/documents/otchet-2004-1.doc

against corruption, ascertaining the presence of corruption practices based on submitted allegations and conducting checks depending on the competences.

Regional Public Councils for Counteracting Corruption have been functioning in all regional administrations. The greater part of the council chairmen are Regional Governors; the council members include representatives of the Prosecutor's Office of the Republic of Bulgaria (hereinafter referred to as the Prosecutor's Office), the Investigation Office, the Police, the courts, the Revenue Agency, Customs, the health and education sector, NGOs, media, etc. All regional public councils have adopted Programmes for Implementing the Strategy for Transparent Management and Counteracting Corruption. The allegations for corruption submitted to the regional administrations for the period October 2006 – March 2007 are 113, out of which 104 have been reviewed and the others are in the process of review or are anonimous.

The biggest number of corruption signals has been submitted to the central administration – 76.2%; to the regional administration - 2.5% and to the municipal administration – 21.3%[27].

The measures undertaken at the **border crossing points** are a good example of corruption counteraction and prevention thanks to which considerable progress has been achieved: control and imposing of sanctions, zero tolerance, checks on signals and also random checks, installed video cameras, use of information brochures, systematic training of the employees, psychological inquiries, publicity for the pourpose of prevention given to identfied cases of corruption, implementation of a system of "single receipt" payment and a system of random distribution of shifts.[28]

Civil society is an active participant in the assessment of the government's anticorruption policy. This activity has become a priority for a number of Bulgarian NGOs. Many public anticorruption debates have been initiated with the cooperation of the media. Monitoring of the administration has been performed through partnerships between civil associations, the business sector and NGOs on the one hand, and on the

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[27] The feedback mechanisms are described above in V., 3.1. Transparency and accountability
[28] Report of the European Commission on the progress of Bulgaria in the implementation of the accompanying measures after accession 27.06.2007, page 19,
http://www.evropa.bg/bg/del/info-pad/press-releases/doklad.html

other – the state institutions. An exemple of such an initiative is **Coalition 2000**. Its activities include the development of an Action Plan for combating corruption, a monitoring system, the organisation of anticorruption information and education campaigns and the production of annual Reports assessing corruption in the country.

There is still a clear necessity for optimising the work of the different anticorruption units, especially with respect to the introduction of a clear separation of responsibilities better coordination, management style and decision-making process.

With a view to the increased number of corruption allegations, the trainings and seminars for the prevention of corruption should continue and control should be strengthened, including regarding the enforcement of the Ethical Code. The mechanisms for submitting corruption allegations and obtaining feedback should be increased and better publicized in society. The measures undertaken so far to increase transparency should be popularised. It is also important to conduct regular monitoring of the implementation of the Strategy for Transparent Management, Prevention and Counteracting to Corruption. Corruption prevention practices that have proven to be successful should be replicated in more administrations, and the participation of civil society structures in this sphere should be encouraged.

Apart from the policy for achieving greater transparency and accountability, and control of the activity of the administration[29], the policy for counteracting corruption also includes a wider circle of activities in other areas, such as hiring civil servants on a competitive basis, conducting studies in the anticorruption field, good state service management, development of e-Government, full implementation of the one-stop-shop concept, implementation of a system for integrating the payments called "single receipt" at the border crossing points etc, etc.

For the complete success of the anticorruption policy, it is of utmost importance to continue to use and strengthen this "integrated approach", whose purpose is not only to fight corruption but also to prevent it.

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[29] See below

4. Policy-making and strategic planning

The process of policy-making includes **all steps starting from policy conception, strategic planning and impact assessment up to its adoption and implementation through the respective normative acts.** It requires good interdepartmental coordination and good publicity in order to take into account the interests of all stakeholders. For guaranteeing the achievement of set goals, the effective implementation management, monitoring and follow-up assessment of policies and their impact are of a great importance

The process of a genuine linking of policies and strategies with the budget and with the necessary human resources, as well as development of strategic planning capacity started in 2004. Since 2006 the process of **strategic planning and policy-making** is regulated by law[30]. The CoM is legally bound to adopt a programme defining the **strategic priorities of the government** during its mandate. Based on the priorities of the government, the ministers set **annual goals for the activity of their administrations** and control their performance

The CoM[31] proposes **standards for making strategies and sector policies,** and supports the administrations in performing impact assessments when developing their strategies.

In the beginning of 2007 more than **400 strategic documents** were in force in Bulgaria: 117 strategic documents on central level, 6 regional development plans, 28 regional development strategies and more than 250 municipal development plans. The large number of strategic documents has resulted in a low horizontal interaction of the administrations under the different strategies and in to limited attention to the **inter-sector priorities for the development of the country.** The strategies do not show their complementarity with neither their demarcation to other documents; this is though needed in order to show that policy is integrated and has a clear impact on development.

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[30] Law on the Administration (Art. 2 (6)); (see Annex No 3)
[31] Strategic Planning and Management Directorate of the CoM

The skills to define realistic goals of public significance and the capacity to set the administrations's priorities are insufficient, including on the part of the political cabinets and leading staff both of which play a key role in strategic planning. Usually a large number of goals are specified but they are not prioritised in time which leads to inefficiency and dispersion of efforts. The **limited analysis and planning skills** in the administration make it necessary to resort to consultants when elaborating strategies. To a certain degree, this explains the lack of ownership by the administration during the implementation of strategies.

> **In order to ensure good policy-making attention should be paid to the development of analytical skills of civil servants, including Senior civil servants and political leadership, as well as to the collection and use of data (current statistical information, scientific studies, sociological research). Administrative structures should define few but achievable goals addressing real problems and leading to further development.**
>
> **There is a need to develop a unified approach for strategic planning and to elaborate detailed action plans, which requires substantial methodological support from the central level. It is necessary to develop practical manuals for strategic planning as well as for the overall policy-making process and they have to be promoted at all administration levels.**

4.1. Consultation and coordination

State bodies are legally bound to coordinate their activity and to consult the social economic partners (SEP) and civil society in order to guarantee an integrated state policy[32]. The coordination mechanisms as well as the process of consultations aiming at including a broad range of stakeholders are an **important part of the process of policy-**

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[32] Law on the Administration (Art. 2 (7))

making (strategic planning, impact assessment), of policy implementation and of the assessment of achieved results.

The good interaction within the administration and the **improvement of the horizontal culture will remain a challenge** in the next few years. Consultative bodies are still working in parallel which involves a duplication of activities. **Obtaining information on the work of committees, councils and working groups is still a problem** for the different stakeholders.

All regional and almost all municipal administrations have also established advisory and coordination mechanisms. The functioning of committees, councils and working groups is also an operational way for the **interaction of the central administration with the regional and municipal administrations** with the objective of achieving the goals of local self-government and regional policy. Nevertheless, this interaction is considered ineffective or insufficient to guarantee good policy coordination.

The municipalities indicate that their membership in the **National Association of Municipalities of the Republic of Bulgaria** (NAMRB) is the mechanism to coordinate the activities of the different municipal administrations as well as their interaction with the bodies of the executive and the NGOs. An agreement between the **CoM and NAMRB** was signed in 2005. It envisages: to improve cooperation in order to create a constant dialog to evaluate the performance of the existing policies; to include representatives of municipalities when drafting legislative acts on important issues that refer to local self-governance; to promote greater participation of NAMRB representatives in advisory, managing and monitoring bodies which belong to the central executive power; to include representatives of the local authorities in the planning, programming, management, evaluation and control of the implementation of plans, programmes and projects funded by the SF and the CF of the EU.

> **The large number of advisory bodies leads to duplication of efforts, overlapping of functions and poor accountability. The efficiency of the existing advisory bodies is unsatisfactory – there is a need to optimise their structure, to**

specify their functions and positions of staff, to increase the interaction with the NGOs.

A thorough analysis should be made in order to optimise the structure of established committees, councils and working groups. There is a need to create systems which can guarantee that information on the work and decisions of the advisory bodies reaches all stakeholders in and outside the administration (through electronic information bulletins, information data bases and online discussion forums).

For the process of developing and implementing planning documents, it is of great importance to establish effective mechanisms for coordination, consultation and partnership between the administrations from different levels as well between structures at the one and same administrative level. The capacity of municipal administrations for making and implementing local policies and for participating in the process at central and regional level should be increased. In this respect, it is important to strengthen also the capacity of NAMRB for performing its functions.

Besides improving the internal administrative coordination, it is also important to fulfil the **need for strengthening cooperation with the business sector and the civil society structures.** During the last three years planning with the involvement of stakeholders has become common practice. In the process of consultation and coordination, **civil society** has actively been included by participation in the **Councils for Trilateral Cooperation.** Still, the analyses show that not all concerned stakeholders are involved in the process of developing strategic documents and which explains their weak commitment to the implementation of strategies.

The mechanisms for public discussions and dialogue on key issues are still insufficiently used by the state bodies on central and local level[33]. The process of **public consultations** should win recognition as part of the impact assessment. The creation of an integrated portal for strategic planning and public consultations is planned in order to

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[33] Annual Report of the Ombudsman for 2006
http://www.ombudsman.bg/SiteUploads/ombudsman_report2006_LRes.pdf, page 40

enable citizens, civil society structures, business sector, legislative and judicial power to make in the same place their comments and proposals on the development strategies of the country.

> **The existing forms of consultation with all stakeholders have to be improved and applied more regularly and expediently. The planned integrated portal for strategic planning and public consultations will be a useful tool for policy-making.**
>
> **The capacity for using consultative and coordination mechanisms should be improved through developing skills for carrying out consultations with the different stakeholders on specific topics, for evaluating their proposals and for drafting alternative decisions for policy implementation.**

4.2. Preliminary impact assessment

The skills of the state administration employees **for conducting impact assessments** which is an important part of the process of policy-making and preparation of legislative amendments are still insufficient. The practice of impact assessment is also not completely regulated.

Two directorates in the CoM have responsibilities with respect to impact assessment[34]: they make assessments of the impact on the legislation of acts proposed for discussion at a meeting of the CoM; they also make assessments of the impact of EU law on the national legislation.

During the last years, the preliminary assessment of impact on the environment and on the state budget (financial justification) has been introduced for all acts before their submission to the CoM for discussion. The following impact assessments are not conducted: impact assessment on economic development and mostly on the small and

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[34] Rules of Procedure of the CoM and its administration, adopted with Decree of the CoM 216 of 12/10/2005

medium size enterprises and their competitiveness, impact assessment on users and impact assessment on socio-cultural development.

> **The need for better quality of policies and normative acts, including their harmonisation with the EU legislation, requires analyses, consultations and coordination. This is why it is important that such obligation is regulated by law. A coherent analysis of the need for legal, institutional and structural changes has to be made.**
>
> **The process of preliminary impact assessment should be extended to the elaboration of all policies as well as to the assessment of their impact on different fields and target groups.**
>
> **For strengthening the capacity for policy-making, specialised training programs have to be developed, covering all issues related to strategic planning, policy consultation and preliminary impact assessment.**

4.3. Management of implementation, monitoring and ex-post impact assessment of policies

The management of implementation, monitoring and ex-post impact assessment of policies are important both for achieving set goals as well as for better defining and prioritising them.

Regarding the **implementation of policies and set strategic goals** in 2007, 59.4% of the administrations indicate that they have not achieved some of their long-term goals. The most frequently mentioned reason for not fulfilling the goals is the lack of funding. Good administration is of great importance for the optimum use of the limited financial resources.

The Bulgarian state administration has still **a weak culture of performance evaluation** of strategies and of ex-post assessment of their impact. The indicators that are applied for measuring results do not show the effect of the conducted policy. The activity of the administration will concentrate in the future on **new models of strategic management in the public sector.**

Efforts should be made for performing ex-post impact assessments of regional policies on the business sector and the citizens. A feedback system from municipal and regional to central level needs to be developed for the process of policy-making, policy implementation and ex-post impact assessment.

Civil society involvement in the evaluation of achieved goals should be guaranteed, especially when evaluating the significance of achieved goals and the economical use of public funds.

For better policy implementation, especially with respect to the restricted financial resources, it would be good to introduce and establish new approaches and techniques for strategic management, similar to those that are successfully used by the private sector. It is necessary to develop and apply systems for implementation management which have reliable indicators for effectiveness; proper evaluations of the administration activity should be made, and the skills of the state administration employees should be improved in order to ensure good governance.

5.   e-Governance

E-Governance is a modern method for the functioning of state administration using information and communication technologies (ICT). It is a **tool for the improvement of administrative service delivery, enhancement of state administration effectiveness and the optimisation of costs.** The introduction of e-Governance improves the transparency in the activity of the administration and the accessibility of services. It **reduces the time** and efforts of the citizens and the business sector in their communication with the administration. E-Governance covers four major groups of relations (communication and

service directions): administration – citizens, administration – business sector, administration – administration, administration – employees.

At present there is already **an overall concept for the development of e-Governance in Bulgaria.**

Bulgaria is lagging behind the EU member states in the process of developing e-Government.[35] The analysis of the reasons for this situation enables the identification of the necessary measures for its development to a level meeting the European requirements. Currently, four major reasons for the insufficient establishment of e-Governance in Bulgaria can be advanced:

- the lack of appropriate legislation,

- the lack of interoperability of the administration's information systems,

- the lack of adequate electronic exchange between the administrations as well as,

- the unsolved issue of data unification.

5.1. Improvement of the basic legal and strategic basis for e-Governance development

An important element for the development of the e-Government is the adoption of legal documents related to the introduction, application and the operation of the ICT (strategies, plans, architectures, work process description, procedures, manuals and regulations). They will help the activities of the state administration in the area of e-Governance to be streamlined and consistent.

The implementation of the e-Government Strategy 2002-2007 was completed successfully in 2007. This strategy sets the goals and development principles of the information systems related to the services delivered by the state administration as well

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[35] Report on e-Bulgaria, 2006, page 56, http://www.mdaar.government.bg/docs/eBulgaria2006.pdf

as with the common framework for development of the information technologies in the Bulgarian administration. Currently a **new e-Governance Strategy with a road map is being developed**. These documents will be adopted at the end of 2009. In order to ensure sustainable implementation of projects in the e-Government area an overall framework for their long-term financing should be established.

The National Assembly adopted the **Law on e-Governance** on 30 May 2007**.**[36] This law regulates the electronic delivery of administrative services to citizens and the business sector, the processing of electronic documents within an individual administration, as well as the exchange of electronic documents between the state authorities. With this law the delivery of administrative services online will become mandatory for all administrative bodies, for persons performing public functions (Public Notaries, state and municipal schools, etc.), as well as for the organisations delivering public services (educational, health services, heat distribution and energy distribution, telecommunications, postal and other services).

> **A significant progress has been made in the adoption of the legislation on e-Governance development. It is necessary to develop and adopt the missing laws and subordinate legislation in that field, as well as to start applying the legislation in place. The strategic documents and the plans for their implementation need to be updated, providing for sufficient funding from various sources.**

5.2. Organisational capacity and human resources for e-Governance development

Organisational Capacity

About half of the administrative bodies undertake **actions for e-Governance development** and e-services delivery to the citizens and the business sector. In 2006 there was a clear trend towards an increased share of administrations that have defined the roles,

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[36] Promulgated SG 46 from 12 June 2007

the rights and obligations of the civil servants responsible for the implementation of particular measures related to the development of e-Government. The number of administrations that declare they have the necessary qualified personnel for the implementation of projects in the area of e-Governance has increased[37].

At the same time a significant share of the employees responsible for introducing e-Government related services are still dealing with in the technical maintenance of the hardware and software infrastructure and not with e-services projects. The development of e-Governance requires a change in the work methods of the employees in the administrations and in their communication with the citizens and the business sector.

A prerequisite for this is the **correct understanding of the e-Governance concept.** Most of the administration employees perceive e-Governance as a way of publicising electronically the available administrative activities, as something separate which does not directly reflect upon the daily activities of the state administration and as a task which only concerns the ICT experts. It is necessary to clarify the fundamental aspects of e-Governance as an integrated process that simultaneously combines administrative reform, optimisation of all administrative processes and full utilisation of the ICT opportunities.

> **The development of e-Governance is a process which has to begin from the administration. This involves the delivery of training and information campaigns to promote and explain fundamental aspects, principles and objectives of e-Governance as a new and modern governance approach.**

Informational resources

Most of the central administrations maintain information systems; their purpose is to ensure creation, storage and processing of data necessary both for fulfilling their direct functions and for delivering administrative services, including e-services. The lack of national strategy and standards in this field as well as the different time of establishment

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[37] Report for the administration status, 2006, (page 135)
http://www.mdaar.government.bg/docs/Microsoft%20Word%20 %20Doclad_08%2005%202007_graf1.pdf

have lead to the use of a great variety of technologies, architectures, means of access, document formats etc. There are almost no practices of automated data exchange between different systems, even within one institution. This leads to the irrational use of resources, to data duplication, repeated introduction of identical information and many other negative practices.

The lack of integration of the information systems at interdepartmental level is also accompanied by a lack of practices for the centralisation of resources of common interest, such as the Geospatial informational system for example. The availability and accessibility of updated, full and correct geospatial data from different sources and in different spheres considerably enhances the possibilities for the administration to exchange information within the state and local power as well as with the EU. At present, the geo-data in Bulgaria is collected, stored and maintained by the separate authorities for their specific needs which lead to duplication of expenditure for collecting and maintaining the same data, as well as to limited possibilities for effective interaction between different institutions.

> **In order to implement the Directive 2003/98/EC on the re-use of public sector information and to avoid the current practice, an institutional framework has to be created and the capacity of the state administration has to be improved for the introduction of centralised information systems in the directions of common interest, such as a single portal for Geospatial information, e-mail, e-ID cards etc.**
>
> **Where there is a strong sensibility and necessity of keeping the independence of the informational systems, measures for their integration have to be undertaken.**

Electronic services

The development of electronic administrative services at central and local level is to a great extent related to the fulfilment of commitments under the E-Government Strategy to guarantee the provision of **20 indicative electronic administrative services** as set forth by the EC – 12 for the citizens and 8 for the business sector.

The degree of completion of the 20 indicative administrative e-services in Bulgaria is lower than the EU average. The lagging behind of Bulgaria shows that exchange of experience and best practices with EU member states is necessary.

It has to be noted that the development of electronic administrative services **for the business sector is much more advanced than the one for citizens:**[38]

- 40% of the companies and only 5% of the citizens are using e-services

- 84% of the companies are fully or partially informed about the e-services delivered by the administration

- About 70% of the citizens are not acquainted with the e-services offered to them by the administration.

An indicator of the **changes which are taking place in the communication between the business sector and the institutions** is the fact that the share of users searching first in the Internet the solution to a problem (need for information) is increasing significantly. This fact shows **a trend of transition from traditional communication towards e-communication.**

Most users consider that **the e-services available at present are insufficient.** Their most frequent **requirements** with respect to administrative e-services are that they should be cheap or free, easily accessible via an Internet portal, delivered fast and that there should be guarantees for the security and reliability of the information sent and received. In order to encourage the use of e-services, the state should periodically conduct **information campaigns,** explaining the types of services provided and the advantages of working with the administration electronically.

Interoperability

A major problem in the implementation of e-governance is the lack of interoperability, of unified standards and rules for handling e-documents.

In 2007, the government adopted **a National Interoperability Framework for the information systems of the executive authorities.** It includes the establishment of a

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[38] Alpha Research survey on the readiness of citizens and the business to use electronic administrative services, conducted in February 2006

Register of Standards which have to ensure interoperability, the establishment of an Information Units Register and an E-services Register. An Instruction on the procedures and conditions for the certification of institutional information systems in accordance with the European standards was also approved. This will ensure the interoperability of the information systems of different institutions in the process of e-service delivery. The National Interoperability Framework is the document, which shall guarantee that Bulgaria meets the requirements for integration of EU member states national systems in order to enable trans-border electronic services. Bulgaria shall also comply with the **European Interoperability Framework.**[39]

By the end of 2009, **a centralised integration system of the e-government** will be put into operation under a project financed through the national budget. It will serve as the integration environment for the existing independent information systems in the state administration and will be the basis for a common document exchange environment. A **pilot integration system of** an **e-region,** which will integrate the local and regional level information systems, is also being developed**.**

With the implementation of the two projects a unified information environment will be established to provide electronic services by the central, regional and municipal administrations. They will provide the electronic exchange of documents between all units of the central and local administrations for performing the requested services. With the implementation of the two projects a technology environment will be established which will ensure:

- Unified portal for access to all electronic services at all times and from everywhere

- On-line description of all administrative services

- Simplified user-friendly interface for ordering the services, including for people in disadvantaged position

- Unified design of the portals of the regional and municipal administrations through establishment of unified standards

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[39] The initiative was adopted at the Seville Summit in June 2002; the framework was published in January 2005 and was created as a result of the "eEurope 2005" initiative

- A possibility for the citizens and the business sector to electronically trace the execution of the services they have ordered

These two projects have considerable importance for the development of e-governance in Bulgaria and they are both financed through the budget of Ministry of Finance. As the accelerated introduction of the e-government is a key priority of the Ministry, the latter envisages a significant part of the hardware realisation of other similar initiatives in the e-government area to be financed through the state budget. In accordance with the specific goals of the European Social Fund OPAC will support mostly the implementation of the analytical part of the development of e-government.

Since mid-2007, the introduction of the e-governance in Bulgaria entered into its major phase.[40] The most important for its successful implementation will be to monitor the enforcement of the legislative basis and strategic documents adopted in this field. Among the main challenges for e-governance development are:

- **transition from hard copy to electronic document flow**

- **reaching interoperability among the various systems in the administration**

- **improvement of the centralised integration e-government system**

- **implementation of the pilot e-region system throughout the country and its integration with the centralised system**

- **training of employees to work with e-government systems.**

The overall funding of e-government projects will be provided both by the national budget and by the SF. The activities under OPAC shall be consistent with those under OP Regional Development and OP Development of the Competitiveness of the Bulgarian Economy, aiming at achieving an integrated approach to projects preparation.

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[40] e-Bulgaria Report, 2007 (page 56) http://www.mdaar.government.bg/docs/eBulgaria2007.pdf

II. SWOT ANALYSIS OF THE STATUS OF THE STATE ADMINISTRATION

STRENGTHS	WEAKNESSES
• Continuity of the administrative reform • Established legislative framework • Setting up of Ministry of Finances as the responsible institution for the administrative reform implementation • Progress in the development of the rules and system for human resources management and for encouragement of career development • Establishment of the administrative infrastructure for performance of external and internal control over the work of the administration – the system of Inspectorates, the National Ombudsman • Good educational level of the employees, especially in the central and regional administrations • Established educational and training institutions and introduced system for training of the employees, especially those entering into position • Introduced general rules for administrative service delivery and the "one-stop-shop"	• Weak effectiveness of the users' feedback mechanisms • Incomplete reorganisation of the administrative structures, especially the territorial units of the central executive power • Weak internal and interdepartmental coordination, particularly on regional level and between the territorial units of the central executive power and the municipal administrations • Underdeveloped mechanisms for policy-making • Underdeveloped mechanisms for assessment of policy implementation, for quality of services provided and satisfaction of users • Limited application of models for quality enhancement and effectiveness of the activities performed by the administration such as outsourcing and PPP • Underpayment and lack of qualified employees, especially in the small municipalities

principle • Provided access to the Internet for all administrations • Adopted major part of the legislative basis for e-governance	• Limited effect of the existing mechanisms for motivation and incentives for career development of the employees • Lack of interoperability between the administrative information systems and underdeveloped e-documents flow
OPPORTUNITIES	**THREATS**
• Availability of various possibilities for improvement of the internal processes in the administration with the help of ICT • Availability of good Bulgarian experience in the field of administrative service delivery and improvement of the organisation of work at various administrative levels which can be disseminated • Availability of good European management practices which can be adapted and integrated into the Bulgarian conditions • Established cooperation with other institutions and NGOs and availability of experience for the implementation of an integrated approach for counteraction of corruption • Interest from the business sector for involvement in good policy-making and partnership in their implementation	• Incompleteness of the anticorruption policy due to the slow reform of the judicial system and the slow change in the public perception of the problem • Lack of confidence among the municipal administrations and still weak desire for partnership among them • Development of a tendency towards increase of the functions and structure of the administration with the introduction of new legislation • Inability of the administration to offer competitive opportunities for career development in comparison with those in the private sector • Slowing down of the economic growth • Lack of confidence from the business sector and the civil society in the speed and effectiveness of the administrative reform implementation

The SWOT analysis provides an excellent opportunity to relate analysis to strategy for administrative reform in Bulgaria. It also describes relevant Bulgarian legislation, key strategic documents on administrative reform, on transparency of institutional working processes and on combating corruption, on implementing the "one-stop-shop" principle of service delivery and e-Government, on HR management and training, as well as documents on the current status of implementation of various strategies.

Recommendations

1. The use of different **forms of public-private partnerships**[41] **gives (PPP)** the possibility to modernise the administration through an optimal use of public resources. The cooperation between the business sector and the administration will create conditions for combining innovations, technological, financial, management and expert skills on the part of the private sector and a stable legislative framework and security on the part of the state. Key factors for the successful realisation of the different forms of cooperation are: the implementation of the harmonised legislative PPP base; the private sector awareness of the partnership possibilities with the state administration, as well as the public sector's awareness of the potential and the interests of the private sector.

> The use of different PPP forms aims at improving administrative service delivery, at enhancing transparency of public funds management as well as at decreasing spendings of the administration. In order to successfully apply these forms of cooperation with the private sector, the following is needed:
>
> **I. Development of a clear concept of PPP and analysis of the need for legislation amendments in order to establish favourable environment encouraging private partners to create PPP**
>
> **II. Further development of the general guidelines for PPP, preparation of sectoral rules/guidelines for complex fields; adoption of good practices from other Member States, especially in priority infrastructure sectors such as environment, transport**
>
> **III. Training of state administration employees and their preparation for dealing with the complex PPP nature, especially in investment projects, and for the effective application of the legal framework and the adopted guidelines for PPP implementation (LC, PPL, Law on the Obligations and Contracts, Law on Spatial**

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[41] See Annex No 5

Planning, Law on State Property, etc.)

IV. **Measures for promoting awareness and strengthening the capacity of the private sector and of potential contractors, paying attention to the possible partnership forms between the business sector and the state administration.**

Supporting measures that will improve the functioning of the PPA and CPC will guarantee proper implementation of the PPL and CA. The latter is also of key significance as regards the effective absorption of EU Funds in compliance with the rules for sound financial management. Improving the existing e-system and the use of e-procurement are important for the modernisation and acceleration of the process of awarding public procurement.

2. Improving the effectiveness of human resources management is an important part of the successful implementation of the administrative reform in Bulgaria. The management of human resources is a continuous process specifically targeted towards the planning, recruitment and selection of the most qualified staff, their training, motivation and development, in order to ensure the effective implementation of the organisation's goals.

One of the key goals of state policy is to achieve effectiveness in the **management of human resources to ensure that the administrative reform will continue.**[42]

In spite of the changes and the achieved improvements, targeted actions are needed, as well as financial resources and knowledge to implement the experience of the European and international human resources management systems within the state administration.

The human resources management units play a key role in carrying out the

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[42] Strategy for the modernisation of the state administration – from accession towards integration, 2003-2006 (p. 3) http://www.mdaar.government.bg/docs/strategia_modern.pdf

reform of the state administration. Further improvement of their capacity is needed for the efficient implementation of their functions, and for turning them into a strategic partner in the management of the administration.

Ensuring fair and transparent career development procedures, implementing the competition principle and performance evaluation, increasing professionalism and effectiveness in the work of the senior civil servants are key elements in achieving good management of human potential within the administration.

The introduction and maintaining of a Single human resources management system will be an important prerequisite for improving the process of human resources management. For the effective use of the system, the data contained need to be periodically updated in view of ongoing legislative changes concerning the human resources management.

The Single information system will ensure that common forms and methods for collection of information are used and will give the possibility to prepare quantitative and qualitative analyses of human resources development in the state administration.

A comprehensive analysis of the training needs of state administration employees needs to be carried out. Based on this analysis, training programmes can be improved to reflect the current trends and needs of the employees at different levels of the administration. The training programmes should cover basic knowledge on various topics, as well as practical courses close to real-life

circumstances.

The number and quality of the specialised trainings, both for central as well as local and regional administration employees, need to be increased. This will improve the competences of the employees and help the efficient performance of their responsibilities in the conditions of EU membership.

There needs to be good coordination to ensure the delivery of various trainings. Apart from the traditional training formats, new methods need to be used to allow the employees to perform their daily obligations.

3. A key measure for improving the quality of administrative service delivery is the introduction of quality management systems at all administrative levels. Their main function is to guarantee the customers a constantly improving quality of products/services, regardless of the quantity and the delivery deadlines. **A Common Assessment Framework (CAF)** was developed in 2000**,** based on the model of the European Foundation for Quality Management (EFQM).[43] It was specially designated for the public sector organisations. The introduction of CAF is free for the administrations. Presently, there are three administrations in Bulgaria which are at the initial stage of introduction of CAF.

The analysis shows that still a very small part of the administrative structures make use of the opportunities given by the quality management systems. Bulgaria's EU membership requires the implementation of similar European standards in all administrations delivering services. For this purpose it will be necessary to further promote the opportunities provided by the implementation of quality management systems. The establishment of a coordination mechanism for the quality management policy in Bulgaria is an important precondition in order to adapt these systems to the Bulgarian conditions and some guidelines need to be

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[43] CAF was developed jointly by the European Institute of Public Administration and the European Network of Public Administrations

elaborated to help the administrations in their implementation.

4. The chart below demonstrates the strong correlation between two of the four indicators – index of government effectiveness and control of corruption (measured on the *x*-axis), and economic development (GDP per capita at the respective Purchasing Power Parities on the *y*-axis). The other two indicators (quality of regulatory regimes and rule of law) show the same interdependence.

Figure 1: Correlation between the indicators for government effectiveness and control of corruption, and GDP per capita

Government effectiveness index

Control of corruption index
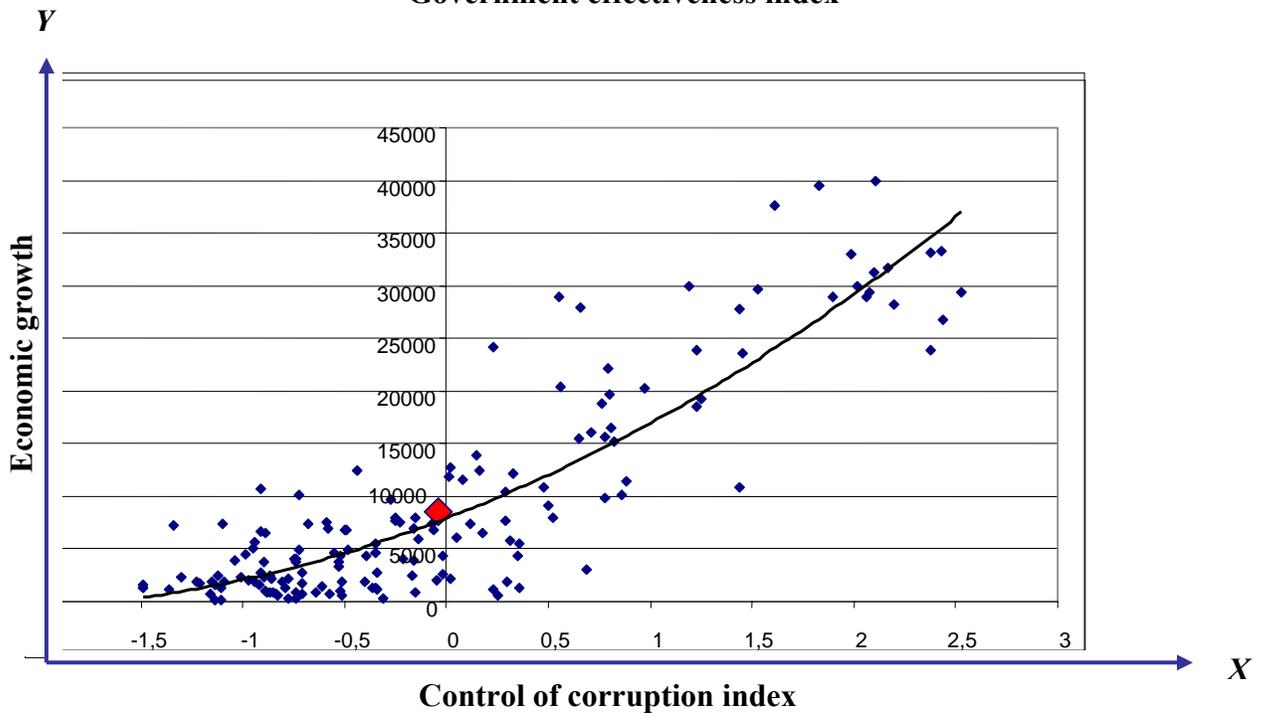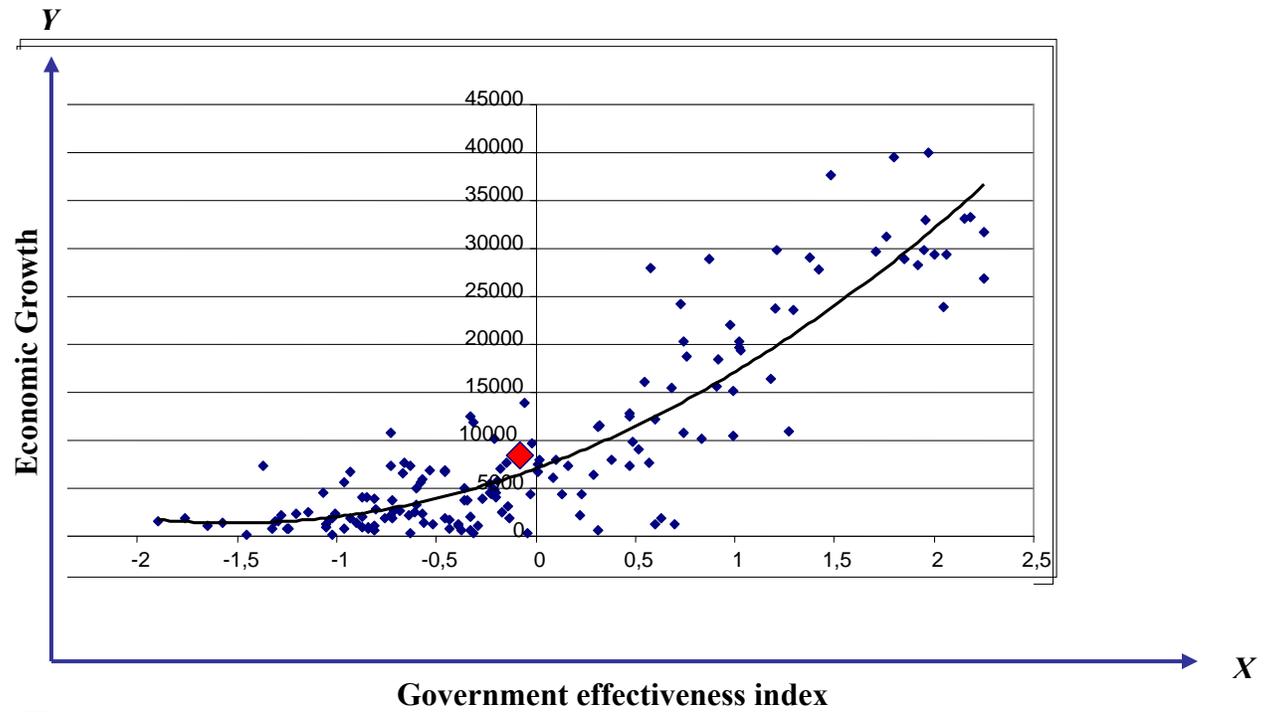
The results indicated two correlations:

- **First, a strong correlation was found between each of the four key "governance indicators" for state administration (quality of regulatory regimes, government effectiveness, application of the rule of law, and control of corruption) and a country's economic development.**

- **Second, Bulgaria is close to a "turning point", whereby even the smallest improvement of quality of public governance and better control of corruption could lead to large-scale results with respect to the increase of GDP per capita, labor productivity, domestic and foreign investment, and employment.**

Enhanced government effectiveness and improved control of corruption will significantly contribute to the increase of GDP per capita and the subsequent increase of employment, salaries and general societal welfare.

Different studies on the relationship between the indicators and economic growth reveal that the country's productivity (GDP) relates closely to competitiveness and investment. Strong governance, effective rule of law, and a favourable business environment create opportunities for capital investment, enterprise and job creation, competition, investment in research and innovation, etc. On the other hand, weak governments, ineffective implementation of legislation, and corruption create uncertainty and risk, which affect investment decisions. This complicates and raises the cost of starting businesses, of import and export, of labour force procurement, etc.

CONCLUSIONS

Government capacity is being tested like never before. Decision makers are being confronted by a combination of policy challenges of unprecedented size and complexity – from unemployment to climate change, ageing populations, migration and other long-term concerns. Citizens are turning to governments, seeking immediate solutions to complex problems and demanding high-quality public services to meet their changing circumstances and needs.

Good governance in Bulgaria is critical to long-term economic, social and environmental development. However, evaluating government activities and performance is challenging due to the limited availability of comparative data. Best practices are rarely definable and are often based on subjective assessments.

The reform of the public administration in Bulgaria aims to creat an atmosphere, which actively encourages the innovations, introducing good practices and EU achievements.

The process of modernization of the administration requires thorough and improved knowledge of the employees, considered with the EU acquis, mastering skills for applying new style in work, initiative and will for achieving good results in servicing the citizens and businesses. The public assessment for providing high quality, transparent, competent and timely service to a great extend depends on the professionalism, the wish and responsibility of the staff to develop and improvetheir knowledge and skills.

The European dimension of the professional skills and employees' qualification in the administration consists in assuming contemporary models for organization and functioning of the administration according to the best practices in the EU Member States.

The dynamics in the development of the public administration leads to opening of strategic planning at the level of organization; development of public-private partnership; outsourcing; coordination of the efforts between the municipalities for development of joint projects, development and management of projects for absorption of means from the EU funds.

The Reforms in public administration focus on the application of contemporary models and techniques for governing that potential of the employees, on creating anti-corruption environment with clear control rules, encouragement and motivation of the employees for disclosure and prevention of conflict of interests.

Key element of the effective and modern policy in the area of the human resources in the administration is the improvement of the system for permanent development of employees' competencies, professional skills and qualification.

The attainment of comparative results of the administration activity presupposes building up a transparent and reliable system for assessment of the administrative capacity. This will lead to raising the confidence towards its activity. An instrument for building up a strong, effective and modern administration is the developed Operative programme "Administrative capacity" which aim to building up and strengthening the administrative capacity at central, regional and local level for applying the principles of good governance as a major

condition for an effective and efficient usage of the Structural Funds and the Cohesion Fund of the European Union

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