1. Introduction
This discussion note focuses on the first pillar theme in the medium term plan - a fit for purpose public administration - and seeks to answer two overarching questions posed in the MTP:

- How can the reforms make public administration more resilient and sustainable over the longer term and
- What mechanisms are in place to deliver a more “fit for purpose” public administration

The note is based on the responses received from EUPAN members that were requested in a short note sent on 24th January. The note collates the responses and summarises the key points and experience of reform across the network. A series of questions have been included in the note to help orient the discussion during the public administration reform session on 4th April.

A final thematic paper will be prepared following the HRWG meeting which will incorporate the views and experiences of EUPAN members shared during the meeting along with the output from the presentations. This thematic paper will be presented at the DG meeting in June for final approval.

2. Context of reform
The public service across Europe is operating in an environment of reduced resources and reduced employee numbers. Demands on public administrations have increased as a result of the protracted economic downturn and unfavourable demographics exerting greater pressures on services. These pressures point to the need for public sector reform. Meaningful reform should not be reactive and short lived or simply an "add-on" to get through the current crisis; the strategic response should involve a commitment to long term sustainable change.

In reducing public expenditure and reforming services, administrations should be conscious of their obligations to reduce public spending in a way that is fair, that protects those who rely on public services, supports employment and enterprise, and takes a more strategic view of what needs to be done to position countries for economic recovery over the medium to longer term.
3. Key questions for panel discussion

3.1 What are the key reforms that have taken place within your country and what are the remaining priorities for reform?

3.2 In your experience, what are the challenges and enablers of implementing sustainable reform?

3.1 Reform priorities identified by EUPAN members

On the basis of the material from respondents there are a variety of reforms being introduced across EUPAN members, which differ according to the structure of public administration and the particular requirements within each country. However, on the basis of the responses from network members the following reforms are common to a number of EUPAN members:

3.1.1 using existing resources more efficiently
3.1.2 reorganization of public administration
3.1.3 reforming work practices
3.1.4 pension reform
3.1.5 the expansion of eGovernment

3.1.1 More efficient use of existing resources

With Government budgets under pressure, there has been a renewed focus across member states on working more efficiently within existing resources. Denmark has introduced an initiative for better financial management which aims to increase knowledge of the cost of Government activities and help employees consider value for money. Spain’s Public Service Guarantee aims to rationalise and standardise the delivery of public services across regions, particularly in health and education. This will improve the consistency and efficiency of service delivery across the public administration.

Sweden has recently created a separate Government agency for shared services. Outsourcing these activities allows the agencies to focus on core activities and increase their productivity. Ireland has sought to reduce its expenditure on public sector pay and to “deliver more with less”. All public servants salaries were reduced from 1 January 2010 with savings of over €1 billion in the first year:

- 5% on first €30k
- 7.5% on next €40k
- 10% on next €55k

The number of public servants in Ireland also continues to fall. From a peak of 320,000 in 2008, the number of public servants currently stands at roughly 290,000 with a target of 282,500 by end of 2014. This reduction in numbers was achieved through a moratorium on recruitment, an incentivised early retirement scheme, and targeted voluntary redundancy schemes.

3.1.2 Reorganization of public administration

As the delivery of public services continues to evolve, administrations are adapting the structure of their Ministries to ensure they are delivering services in the most efficient way possible. The goal is to eliminate duplication in programme delivery and keeps red tape to a minimum. Austria has reorganized a number of key services:

- Health care administration: consolidation of 303 benefit disbursing units to 8
- Merging of 31 police corps to 9
- Creation of one federal agency for Immigration Law and Migration out of 194 units
Slovenia is currently in the middle of a large reorganization project to create closer links between Ministries and to improve knowledge sharing. For example, a new Institute for Further Education has been created, merging a large number of vocational education and adult education institutes. Ireland is also in the process of restructuring its public administration, which aims to rationalize or merge over 200 state agencies. This restructuring is intended to create a smaller administrative structure resulting in greater democratic accountability, less duplication of effort, and clearer lines of responsibility.

Greece is currently reviewing the structures of its Ministries, aiming to:

- redefine the mission and the competences of public administration structures in accordance with emerging needs
- develop economies of scale through the reduction of organizational units (general directorates, directorates, departments) by at least 30%

The average approved reduction in (central, decentralized and regional units per Ministry) is as follows:

- Ministry of Administrative Reform & E-Government (- 66%)
- Ministry of Environment, Energy & Climate Change (- 58%)
- Ministry of Rural Development & Food (- 58%)
- Ministry of Macedonia & Thrace (- 53%)
- Ministry of Labour, Social Security & Welfare (- 37%)
- Ministry of Justice, Transparency & Human Rights (- 26%)

3.1.3 Reforming work practices
In order to deliver public services more effectively, HR systems and policies should be closely aligned to the reform agenda and reforming of work practices is common in many EUPAN members. Ireland has implemented the Public Service Agreement (Croke Park Agreement), which introduced a more robust performance management system, tightened the sick leave policy, and reviewed work processes. The agreement commits to job security within the public sector. In order to sustain this, the agreement increased the flexibility in employee redeployment across the public sector by easing deployment rules on cross sectoral and geographic mobility.

Belgium has introduced performance contracts between their ministers and senior managers which has created a stronger focus on results. Ministers regularly evaluate senior managers, with more formal evaluations every two years and a more extensive evaluation every six years. Belgium is also currently introducing a new career system which focuses on merit rather than an outdated progression system based on integrated certified training. The UK has just launched a new competency framework which covers all 420,000 civil service staff. It is focused on three key areas: setting direction, engaging people, and delivering results. It is designed to support the delivery of reforms by highlighting the skills and behaviours required to deliver modern public services.

3.1.4 Pension reform
As demographics in Europe continue to deteriorate, with the ratio of people in the workforce to dependents decreasing, there is a greater focus on the sustainability of pension provision in
the longer term. **Norway** is in the process of pension reform and is seeking to monitor extended sick leave more closely and considering options to incentivise people to work longer. The **Czech Republic** has recently introduced pension reform which places citizen’s pension contribution directly into private financial institutions where their money is supplemented with contributions from the State. **Ireland** has also recently changed its public sector pension scheme for new entrants to reduce the long term cost to the taxpayer. The main provisions of the new Single Scheme are:

- raising the minimum pension age to 66 years initially and then linking it to the State pension age
- a maximum retirement age of 70 years
- career average earnings rather than final salary is to be used to calculate pension: a pension amount to accrue each year and this to be up-rated each year by the Consumer Price Index (CPI) so as to maintain purchasing power

### 3.1.5 Expansion of eGovernment

Administrations are increasingly turning to online delivery of services to reduce costs. This approach also recognises citizens as active consumers of public services, rather than passive recipients. As active consumers, citizens seek information on their entitlements and how services are delivered. EUPAN members are using online functionality to integrate and simplify the delivery of services. **Turkey** has created an eGovernment gateway which acts as a platform for citizens, businesses, and Government agencies to browse and access services. ID verification is handled through passwords and e-Signatures, ensuring personal data is protected. There are currently 562 services available online with 14 million registered users.

**Ireland** introduced a new eGovernment action plan last year, covering 2012-2015. The plan includes a number of priority areas:

- Expanding the availability of online services
- Raising public awareness of online services
- Greater use of social media to connect with the public
- Ensuring public service data is available for re-use
- Improving digital mapping and geographic information systems
- Introducing new online identity and authentication systems

Last year, **Croatia** established the “Commission for Coordination of Computerization of Public Sector”, whose task is to guide the development of ICT within the public sector. The key goals of the Commission include:

- computer networks (the goal is to engage the electronic communication infrastructure built by public companies - highways, railways, electricity)
- basic registers (the goal is to connect all basic registers in one system)
- electronic identity (the goal is to use-single-sign in e-Government)
- user access (the goal is to upgrade to the single Government domain as well as to create a digital mailbox for every citizen)
- standardisation of procurement of ICT solutions (the goal is to centralise all hardware and software procurement to ensure the most competitive pricing)

### 3.2 Implementing sustainable reform

Typically, reform initiatives involve Central Ministries setting out strategic priorities which are then implemented by the individual line Ministries. This approach enables administrations to implement a coherent and co-ordinated reform agenda that can be rolled out across Ministries. However there can be a considerable disconnect between the Central Ministries
setting the reform agenda and the managers and employees who are implementing the reform initiatives on the front line of public services. Where this disconnect exists, the vision and rationale for change can be diluted or employees may be unclear about the role they should play in implementing reforms. This has the potential to undermine the effectiveness and sustainability of the reforms.

There is also added pressure in the current climate, as reforms in many countries are operating under strict financial conditions and short timeframes. In these circumstances, EUPAN members acknowledge that there is a need for strong and unified political support, particularly when coordinating the implementation of reforms across a decentralised public administration. The recurring issues mentioned by EUPAN members were:

3.2.1 engaging stakeholders throughout the reform process
3.2.2 ensuring close communication between Ministries
3.2.3 building reform into a long term strategy
3.2.4 evaluating reforms

3.2.1 Engaging stakeholders throughout the reform process
EUPAN members highlighted that reform initiatives require strong engagement with key stakeholders to succeed. A reform plan needs to be clear and reflect the views of many different stakeholders. Otherwise, it may be difficult to gain the necessary commitment and support. For their latest reform plan, the UK conducted an extensive consultation, involving civil servants themselves and Ministers from the current and previous Government. The Government also consulted externally to ensure the civil service reforms considered the needs of citizens and businesses.

In Ireland, extensive engagement took place under the Croke Park Agreement in 2010 between management and employees to implement reforms. More recently, discussions took place between public service employers and the Public Services Committee of the Irish Congress of Trade Unions regarding the Government’s stated intention to reach agreement on securing the required savings from the public service pay and pensions bill by 2015. Public servants are currently considering the full set of proposals which have been published and will be subject to ballot by trade union members during April 2013.

In addition to engaging stakeholders, it is important to provide regular and timely updates on the progress of reforms. Slovakia introduced a phased reform plan, with clear goals and objectives tied to each phase of the reform. This approach clarifies how reforms will progress to achieve the required objectives. A number of EUPAN members, including Estonia, Italy, and Poland, have also introduced training and seminars designed to prepare employees and build capacity for reform. The training is designed to change the culture within the civil service and help employees understand how the reforms are intended to change service delivery.

3.2.2 Ensuring close communication between Ministries
There is a risk that individual Ministries will implement reforms in isolation, reducing cohesion and leading to inconsistent reforms across public administrations. This threatens the long-term sustainability of reform initiatives. EUPAN members advocate Ministries building and maintaining close links during the reform process to enhance coordination and ensure reforms are being implemented consistently across Ministries. In Ireland, there is a very strong focus on effective governance and programme management, both centrally and in the main sectors. In terms of governance, a comprehensive model has been put in place led by a Cabinet Committee chaired by the Taoiseach (Prime Minister) which regularly reviews progress on the Reform Plan and considers key strategic issues. The Committee is supported by a number of groups comprised of senior officials from all Government Ministries.
Both Denmark and Slovenia have standing committees comprising key Ministers and senior civil servants who review how reforms are being implemented across the public administration. Many other EUPAN members, including Poland and Belgium, have established less formal networks which allow Director Generals to meet regularly.

3.2.3 Reforms as part of long term strategy

EUPAN members recognise that reforms should form part of a long-term strategy and be given time to improve service delivery over a number of years. Many EUPAN members report reform initiatives forming part of an administration’s Programme for Government (their plan for their term of office). This sets out the administration’s objectives and makes their priorities clear. For example, in Denmark, reforms form part of a broad Government platform, entitled “A Denmark that stands together” which seeks to link reforms into changes in the design and delivery of public services.

In Ireland, many of the reforms set out in the Public Service Reform Plan and the Public Service Agreement are focused on long term change. In tandem with the necessary reduction in staff numbers, the focus is on embedding fundamental changes in:

- how services are delivered (e.g. better customer service, business process improvement, eGovernment);
- how the Public Service is organized (e.g. shared services, external service delivery);
- how the performance of organizations and individuals are managed (e.g. performance management, workforce planning, Senior Public Service initiative)

However, EUPAN members also acknowledge that it can be difficult to embed reforms in the context of a changing Government. For example, a new Government may have vastly different priorities than the previous Government and this may result in the delay or cancellation of existing reform initiatives. The UK tries to combat this by examining the long term operating models of Ministries. This highlights strengths and weaknesses of each Ministry and can allow for targeted reform which is independent of Government plans. Belgium also suggests this approach, working closely with Ministries to tie reform closely to public service delivery rather than one specific political agenda.

3.2.4 Evaluating reforms

EUPAN members acknowledged the importance of evaluation in successful reform initiatives. Evaluation helps to monitor the implementation of reforms to ensure they are sustainable and can deliver measurable long-term benefits. Effective monitoring allows administrations to anticipate potential issues and ensure reforms are being implemented in a consistent way across the various Ministries.

There are a wide variety of approaches to evaluating reform across EUPAN members. In many countries, evaluation is generally carried out by an independent body with no linkage to reform initiatives. This independent analysis ensures transparency and fairness in the evaluation process. In the UK, the Major Projects Authority assesses the progress of reforms. Ministries must also engage with the Public Accounts Committee (PAC) and the Public Administration Select Committee for further external scrutiny. Department (Ministry) Boards also bring together the political and official leadership with senior non-executive directors from the private sector to provide robust scrutiny of Departmental progress in implementing the reforms. In France, an independent group of inspectors regularly evaluate Government programmes, including reforms.

It can be difficult to assess the impact of reforms, as there may be considerable time lag between implementing reforms and realising the desired outcomes. In general, EUPAN members advocate designing the evaluation ex ante, identifying the performance indicators and assessing the likely outcomes prior to the reform. This allows Ministries to choose to most
meaningful performance indicators, which can be used to assess the ongoing impacts of the reforms and progress towards the desired outcome. For example, in Ireland, there has been a significant shift towards performance budgeting, with an emphasis on outputs and outcomes replacing the traditional emphasis on inputs (i.e. expenditure). This is supported by clear measurable performance indicators. A further development in this context is the pilot Ireland Stat website which is a whole-of-Government performance measurement system which sets out how Ireland is performing over time on a range of key indicators, presented in an accessible way for citizens to better understand the impact of Government programmes.

Some EUPAN members evaluate reforms as part of a standard process of evaluating Government programmes. This approach ensures all reforms are evaluated at the same time using the same criteria, allowing for direct comparison. There is a small risk here, in that general evaluation criteria may not suit every reform, which may limit the ability to monitor progress.