



SIGMA

Support for Improvement in Governance and Management
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BULGARIA

POLICY-MAKING AND CO-ORDINATION

ASSESSMENT 2003

1. Coherence of the Policy-Making Framework

The decision-making process in Bulgaria has been stable in the past year. It consists of a weekly “operational” meeting of members of the Council of Ministers (CoM), in advance of the formal Thursday meeting of the government. Unlike the formal meeting, the operational meeting is not attended by staff (except the Secretary-General of the CoM Administration), and is devoted to political and strategic issues rather than quasi-legislative tasks. The operational meetings normally last one to two hours and deal with two or three important issues. In the case of early discussion of the next year’s budget, a longer operational meeting is held to allow in-depth discussion of fundamental issues and priorities. Since the operational meetings are not attended by staff and do not issue formal decisions, the Secretary-General of the CoM Administration (the only official who attends) uses the weekly meeting of secretary-generals of ministries to report on the discussion and transmit items for follow-up. The formal meeting of the CoM deals primarily with draft legal instruments and appointments, and is comprised of about 30 items per meeting.

The procedures for preparing draft laws and submitting them to the CoM are set down in a CoM decree dated November 1999. Some additional changes were made to the decree in early 2000 and late 2001. The procedures have remained quite stable, and the amendments respond to changes that were implemented in the Bulgarian administrative system during the past couple of years, but these changes do not affect the preparation of items. The secretary-generals of ministries and the heads of ministers’ cabinets in ministries play an important role in the preparation and transmission of documents to the CoM. The rules for preparation and submission of items appear to be clearly understood and widely accepted and followed.

The overall framework is clear and logical, and accepted and followed by all participants.

2. Inter-Ministerial Consultation on Policy Proposals

Most draft laws are prepared by working groups, which are either internal to the ministry (especially for ministerial regulation) or inter—ministerial, including officials from concerned ministries and often participants from outside the government (national associations, NGOs). While the quality of these working groups varies, they have the advantage of initiating discussions on proposals beyond the proposing ministry before formal approval within the ministry, and before the formal inter-ministerial consultation process begins. In the case of important reforms, the process of consultation during the preparatory phase is often quite extensive. Over the past couple of years, there appears to have been a gradual improvement in the quality of inter-ministerial relations, including greater reliance on informal contacts and exchange of information between ministries.

A significant innovation in the past year has been the preparation and discussion of a “concept” paper, prior to the drafting of legal text. So far this appears to have occurred for only a small number of laws, such as the amendments to the Law on Civil Servants, and the Public Procurement Law. This approach has also allowed for more substantive consultations and some assessments of impact. This use of “concepts” still needs to be improved

and to be more widely used, but a welcome start appears to have been made. The use of concepts was judged to be very useful by the Secretary-General of the CoM Administration, and by other secretary-generals interviewed in line ministries.

A minister making a proposal is required to formally consult all ministries (a seven-day deadline applies) before submitting the item for decision by the CoM. The proposing minister is required to inform the CoM of the outcome of inter-ministerial consultations and, if any comments have not been incorporated, to indicate the reason why.

The Bulgarian system makes extensive use of “councils”, chaired by a member of the CoM, which operate as standing or ad hoc bodies on various topics to carry out co-ordination, analysis, and information functions. At present, about 26 councils have been created under article 21 of the Law on Administration. Three councils are chaired by the Prime Minister (including the European Integration Council), seven by the Deputy Prime Ministers, and all others by sector ministers. Seven of these councils were created in 2002 (Council on Fight against Corruption, Council on Economic Growth, etc.). The new Council on Modernisation of State Administration, chaired by a Deputy Prime Minister (Minister of Labour and Social Services), was established in January 2003. Councils may also include staff from ministerial cabinets and from outside interests, and they establish working groups to assist them in their work.

While such councils are not formal “funnel” committees of the CoM, ministers are increasingly using them for discussion and co-ordination of major policy issues prior to reaching the full CoM. The exception is the Council on European Integration (EI), which acts as a formal channel for material to be submitted to the full CoM. Councils are also used to raise the profile and improve the management of strategic priorities, and to improve sectoral co-ordination.

Policy co-ordination among ministries is continuing to improve as a result of the increasing use of councils to co-ordinate strategic issues, the growing habit of informal consultations within the administration, and the more effective use of the weekly meeting of secretary-generals. However, the quality of legislation needs to be improved and the policy capacities within ministries strengthened.

3. Agenda Planning

Meetings of the government take place every Thursday. The Secretary-General of the CoM Administration holds a roundtable of heads of the main directorates in the CoM Administration immediately after the government meeting to discuss the following week’s agenda. The Secretary-General then discusses the proposed agenda with the secretary-generals of the ministries on Friday morning (see below), prior to its approval by the Prime Minister. The agenda is then sent, with all the relevant supporting material, to ministers by the end of the day on Friday. The agenda is in three parts: items already agreed, items for discussion and resolution, and civil service appointments. The addition of last minute items, which was once a problem, is now extremely rare.

A six-month legislative plan and a three-month operational plan are prepared in the CoM Administration under the responsibility of the Secretary-General. In the past year, a staff member of the Secretary-General’s Cabinet was assigned to monitor progress on both plans and to prompt ministries so as to ensure that deadlines were met. . Together, the operational plan and the legislative plan cover all items that should be brought to the CoM. Both plans are based on input from ministries, which are expected to determine their priorities in accordance with the government programme and from other government decisions. Although the plans are based exclusively on input from ministries, this input is first circulated to all departments within the CoM Administration for review and comments prior to being incorporated into the CoM official plan. This provides a limited opportunity for a “second opinion” on the plans submitted by ministries. This planning system is well institutionalised.

The government agenda is well planned in both the short and medium terms. There is also a four-year government programme. There is no central mechanism to ensure that either the legislative plan or the operational plan fits the four-year programme. The link between the government programme and the operational and legislative plans is assumed to be the political responsibility of members of the Council of Ministers.

4. Dispute Resolution Mechanisms

The Bulgarian system is now characterised by an extensive system of co-ordination and dispute-resolution processes. In addition to the growing habit of informal consultations and ad hoc meetings, three weekly meetings are designed specifically for these purposes:

- The heads of the political cabinets of all ministers are convened weekly for a meeting chaired by the Head of the Cabinet of the Prime Minister. The aims of the meeting are to review government business for the week and to review progress on the government programme.
- The Secretary-General of the CoM Administration holds a regular weekly meeting with the secretary-generals of all ministries. The meeting, held on Friday morning, is used to examine the proposed agenda of the CoM for the following week and to resolve issues or remove them from the agenda if they are not fully prepared at the expert level. In addition, the meeting is used to brief the secretary-generals of ministries on items arising from the operational meeting of the CoM and to discuss public administration reform and other management issues.
- The parliamentary secretaries of all ministers meet weekly with the Parliamentary Secretary of the Prime Minister to ensure the smooth movement of the government agenda through Parliament.

These regular meetings (and the weekly operational meeting of the members of the CoM discussed above), as well as the working meetings of the Council on European Integration and other councils, tend to resolve disagreements and prepare the ground for the discussion of issues in the CoM. It is a sign of the effectiveness of these mechanisms that meetings of the CoM are short. The agenda for CoM meetings normally includes only a small number of items for political resolution where ministers need not concern themselves with legal technicalities or questions of fact, which are resolved at a lower level.

The various formal and informal mechanisms for conflict resolution have been strengthened, and they provide effective means for resolving disagreements at civil service and ministerial levels. Formal meetings of the Council of Ministers only last between one and two hours, because most of the items have been agreed in advance.

5. Central Co-ordination Capacity

The CoM Administration provides efficient and effective logistical support for the Council of Ministers. The focus of the procedure is the weekly roundtable of the heads of directorates in the CoM, which reviews items in preparation of the agenda for the government meeting the following week. The legislative and operational plans support the orderly processing of government business.

Administrative support to meetings of the CoM is provided by a number of directorates within the CoM Administration. They also provide legal analysis of draft proposals to be examined by the CoM. The Directorate of European Integration and International Financial Institutions provides support to the Council on European

Integration and to the Council for Structural Policy. There are adequate logistical arrangements for supporting policy co-ordination, including preparing for meetings of the CoM and notifying its decisions to ministries.

The central capacity for administrative co-ordination is effective.

6. Central Strategic Capacity

The CoM Administration has some capacity for providing policy advice and analysis to the Prime Minister and the Council of Ministers. In addition to the directorates' provision of logistical support, the apparatus supporting the CoM includes the Economic Directorate, the Directorate of Regional Co-ordination, the Legal Directorate, the State Administration Directorate, and the Directorate of European Integration and International Financial Institutions. These directorates review items coming from ministries for their substantive content. An innovation this year is that all items scheduled for the CoM are reviewed by the CoM directorates, and a briefing is provided by the CoM Administration to the Prime Minister in preparation for his chairing of the CoM session. The Prime Minister's Office (PMO) has only very limited capacity to provide political and policy advice and co-ordination. The PMO is very small and relies on input from ministries and political offices of ministers for the substance of its advice.

There is no capacity either in the CoM apparatus or in the PMO to provide strategic planning and forethought. The general picture emerging is of a CoM Administration that has a good capacity to deal with material and plans coming from ministries, but has only a limited capacity to examine how proposals interlink or fit into the government's broader strategic goals.

There is some capacity for policy analysis at the civil service level, but only a limited capacity at the political level. Capacity for strategic planning is weak.

7. Co-ordination of European Affairs

The current system for the co-ordination of European affairs is regulated by Decree 33/2002. The decree has been amended in a number of details, but the essentials of the mechanism have remained stable despite the change of government after the June 2001 elections. In general, the system is logical, has all the necessary elements, and is very clearly illustrated in the annex to the decree. The mechanism has now been in place for more than two years with no significant change, and is working well in practice. On 29 May 2002, the Chief Negotiator was promoted to ministerial rank. This is generally judged to be an improvement, giving the Chief Negotiator a higher status within the system, and increasing her capacity to draw on the resources of the administration.

The main features of the system are:

- The Council of Ministers devotes at least one meeting per month to European integration (EI), and takes all political and strategic decisions in this regard;
- The Council of European Integration, a ministerial "funnel" committee chaired by the Prime Minister, meets once or twice a month;
- The Delegation for Negotiations, headed by the Minister of Foreign Affairs, and the Chief Negotiator, with a core team from relevant ministries;
- The European Integration Units in ministries, at director level, some with a significant number of staff;
- The European Integration Co-ordination Council, chaired by the Chief Negotiator, with membership comprised of the heads of the 31 working groups, in which relevant NGOs are invited to participate;

- The 30 working groups (by chapter) and the Working Group on Administrative Capacity (referred to as “group 31”);
- Two supporting administrative units: The Directorate of European Integration, in the Ministry of Foreign Affairs, and the Directorate of European Integration and International Financial Institutions in the CoM.

Although there are two support units — one in the Ministry of Foreign Affairs and the other in the CoM — the roles and functions appear to be clearly delineated, and working relations harmonious. Further improvement in the work of the working groups has also been noted.

The present co-ordination of European integration is clear and logical. All bodies are operative and meeting regularly, and the system is working well in practice. The test of the system remains its stability over time, and the continuing ability of the two main support units to co-operate effectively in order to ensure a unified effort toward the goals of European integration.

8. Involvement of the Council of Ministers in Budget Decisions

According to the Decision on Budgetary Procedure approved by the CoM, at the beginning of each year the CoM is required to discuss the budget in three separate stages. In the first stage, it approves the three-year budgetary forecast and the basic policies and programmes of the primary spending units (ministries and some agencies) in constant prices. In the second stage the CoM approves the spending ceilings for the spending units, and in the third it approves the consolidated fiscal programme and the budget document to be submitted to Parliament. Before submitting to the CoM the constant price-based budgetary forecast (first stage), specific agreements on spending are made in bilateral meetings between the Minister of Finance and line ministers, with disagreements being settled in the second meeting by the CoM. In addition, “operational” meetings of the members of the government are devoted to budget discussion in order to address political and strategic priorities.

There is significant involvement of the Council of Ministers in budget discussions and decisions.

9. Impact Assessment

At present ministers are required to attach a budgetary impact assessment to every proposal they submit to the CoM. This practice is strictly enforced, and any proposal lacking this assessment is returned to the relevant ministry. In practice, this requirement is often not met in sufficient depth. The main problem appears to lie not in the rules or structures, but primarily in the capacity in ministries for policy development in general, and for consultations and impact assessment in particular. There is some evidence of better consultations with outside groups, and of a limited number of cases where impact assessment is carried out. Although variations exist among ministries, the general impression is that there is a growing recognition of the need to consult more broadly. There is also an understanding that consultation with civil society can be beneficial in terms of helping ministries and working groups prepare better drafts that are easier to implement. Accordingly, when consultation does occur, it often takes place before a proposal is put to the CoM, rather than after the event, as is the case in many countries. This potentially allows comments that inform and improve proposals to be put to ministers collectively. There are examples of major policy reforms that do go through an extensive and fruitful process of consultation and consensus-building at the formative phase of the reform. Within the CoM Administration the improvement of policy development and impact assessment in ministries is recognised as a priority. Bulgaria continues to await the implementation of an EC-funded project to develop its capacity for impact assessment. The Institute of Public Administration and European Integration (the civil service training institute) continues to provide training in policy development and impact assessment.

Overall, impact assessment is often insufficient, leading to uneven policy output from ministries. The administration recognises this problem, and steps are being planned to correct it. Consultations with civil society continue to improve.

10. Summary and Next Steps

The system put in place for policy co-ordination and decision-making is a good one, and has been improving over the years since these annual assessments began. In particular, it is noteworthy that the Secretary-General of the CoM Administration, the Head of the Prime Minister's Office, and the heads of some departments in the CoM Administration have specifically attempted to respond to recommendations contained in these assessments. The main weakness remaining in the central system is the lack of attention to strategic planning. At the level of preparation in ministries, despite some improvements, weaknesses in impact assessment and consultation are still apparent. The preparation and discussion of policy concepts prior to drafting also need to be more widespread, especially for major reforms. Issues related to the capacity of ministries have been recognised, and plans have now been made to address these problems through the development and enforcement of better rules and through systematic training.

There continues to be a risk that the adoption of the *acquis* would occur without sufficient regard to the administrative capacity for implementation and to the costs imposed on social and economic actors. Without improvement in the policy capacity of ministries, Bulgaria will have difficulty in participating fully in the EU policy-making process upon accession.

To further improve the standards of policy-making and policy co-ordination, the Bulgarian authorities should in the next two to three years:

- Improve the policy capacity of ministries and, in particular, enforce a requirement that ministries improve the analytical basis of their proposals; train staff in ministries to improve their capacity for law drafting, making cost estimates, and carrying out impact assessment of concepts and legislative proposals;
- Continue to maintain the stability of the co-ordination system and focus on operational efficiency of the structures put in place within the CoM apparatus and the EI co-ordination mechanism;
- Continue to develop procedures for early and regular involvement of policy experts from the CoM Administration in the review of the content of items for decision by the CoM;
- Continue to strengthen the Prime Minister's Office;
- Establish strategic capacity at the CoM attached to the Secretary-General or to the Prime Minister's Office;
- Continue to strengthen the monitoring of the implementation of the Government Programme, moving beyond simple monitoring to examining the effectiveness of laws when implemented.