Conference
Good Governance and Public Administration
Reforms in Albania:

*Progress and challenges ahead based on the findings of the 2021 SIGMA Monitoring Assessment*

Physical Participation at Imperial Xheko Hotel, Tirana

Online Participation on Zoom

10:00-12:30
Friday, 10 December 2021
## Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
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| 10:00– 10:45 | **Introductory Remarks:**  
Reforms on Good Governance & Public Administration in Albania |
| 10:45 – 11:30 | **Key findings of the 2021 SIGMA Monitoring Report by areas:**  
- Strategic Framework of PAR (SFPAR)  
- Policy Development and Co-ordination (PDC)  
- Public Service & Human Resource Management (PSHRM)  
- Accountability  
- Service Delivery  
- Public Financial Management, External Audit, Public Procurement |
| 11:30 – 11:45 | **Reflections from the administration:**  
Good Governance 2030 Road Map within the EU integration frame |
| 11:45 – 12:05 | **Importance of Public Administration Reforms in the EU Enlargement Process** |
| 12:05 – 12:30 | **Closing remarks** |
Introductory Remarks

Mr Arben Ahmetaj

Deputy Prime Minister of Albania – Political-Level
Lead on Good Governance Reforms
Introductory Remarks

Ms Michela Matuella
Acting Director for the Western Balkans
Head of Albania, North Macedonia Unit
DG NEAR, European Commission
Introductory Remarks

Ms Delina Ibrahimaj
Minister of Finance and Economy
Introductory Remarks

Mr Blendi Çuçi
Minister of Interior
Introductory Remarks

Mr Ulsi Manja
Minister of Justice
Introductory Remarks

Ms Milva Ekonomi

Minister of State of Service Standards
Introductory Remarks

Mr Engjëll Agaçi

General Secretary of the Council of Ministers
Introductory Remarks

Mr Gregor Virant

Head of the SIGMA Programme
A joint initiative of the OECD and the European Union, principally financed by the EU

2021 Monitoring Reports for the Western Balkans

Reports cover the period until end June 2021
Key highlights for the region

- Overall steady progress but at slow pace
- Improved data availability
- Strong and genuine political commitment in some areas (service delivery, digitalization), weaker in others
- Sound legislation mostly in place
- Significant weaknesses at the level of implementation and outcomes
- Outstanding performance in some aspects (service delivery)
Western Balkans 2021 vs 2017

Strategic Framework of PAR

- Public Financial Management
- Service Delivery
- Organization, Openness, Transparency, Accountability
- Public Service & HRM
- Policy Development
Overall strong performance of Albania compared to its neighbours.
Overall results for Albania

1. Strategic framework of public administration reform
2. Policy development and co-ordination
3. Public service and human resource management
4. Accountability
5. Service delivery
6. Public financial management

Regional range, 2021
Regional average, 2021
Albania, 2021
Albania, 2017
Key Findings in Six Thematic Areas

1. Strategic Framework of PAR (SFPAR)
2. Policy Development and Co-ordination (PDC)
3. Public Service & Human Resource Management (PSHRM)
4. Accountability
5. Service Delivery
6. Public Financial Management (PFM), including External Audit, Public Procurement
The Principles of Public Administration

• Set out what good public governance entails in practice
• **48 Principles**, covering **six key areas:**
  1. Strategic Framework of PAR (SFPAR)
  2. Policy Development and Co-ordination (PDC)
  3. Public Service & Human Resource Management (PSHRM)
  4. Accountability
  5. Service Delivery
  6. Public Financial Management, incl. External Audit, Public Procurement
• Enhanced **Methodological Framework (2017)** and PAR.IS
• **52 indicators** and **340 sub-indicators**, 1,000 criteria
  ▪ **0-5 Indicator Values** - an indicative level of overall performance (5 is the highest/best)
  ▪ Data not provided/available - marked with (*)
• Data and information from various sources, including interviews (100+), surveys, admin data and samples
• Helps measuring key preconditions and enablers of reforms, actual implementation and outcomes
Assessments in Albania

- 2021 Report - covers July 2017 - June 2021 period
- COVID-19 – online interviews and meetings
- Two rounds of consultations
- All reports available on SIGMA’s website: www.sigmaweb.org/publications/monitoring-reports.htm
A big thank you to all Albanian government institutions, independent bodies and expert community for excellent collaboration!
Overall Country Results – Progress compared to 2017
Some Key Area Highlights

- Comprehensive **strategic framework of PAR has been** extended until 2022/23, ensuring continuity but implementation of individual strategies lagging behind.

- Improvements in evidence-based and participatory **policy making (RIA and public consultation)** and the launch of a **digital planning tool (IPSIS)** (but yet to be fully operationalised).

- The **civil service system** is showing strong maturity, stability and resilience.

- Improvement in the **accountability area**. But unfinished reforms in agency restructuring have revealed wider challenges.

- At the **forefront of (digital) service delivery** in the Western Balkans region.

- A solid foundation for managing effectively **public finance**.

- Improvements in **public procurement** legislation, but some weaknesses in **internal control and audit**.

- Key PAR/PFM reform strategies were extended to ensure continuity
- Weaknesses in quality, accountability and monitoring compared to 2017
1. Strategic Framework of PAR (2021 vs WB average)

- Quality and financial sustainability of PAR are assessed relatively better than the regional average
- However, weaker performance in accountability and co-ordination of PAR.

Despite being above the regional average, the overall SFPAR area indicator value has lowered compared to 2017.
1. SFPAR – Some Key Findings

- A complex framework of PAR involving five strategic documents
- Extension of all strategies on time to ensure continuity
- But the implementation rate of the planned measures has been low
- Weaknesses in the monitoring and reporting (selected strategies)
- Accountability and co-ordination of reforms across different strategies were assessed weak
1. SFPAR - Key Recommendations

- Stronger **prioritisation and linkages of strategies** with other Government planning documents and budget
- More **regular meetings and discussions of all political and administrative-level structures** for PAR and PFM reforms, with more active involvement of **external stakeholders**
- **Streamlining the current structure of PAR co-ordination and management.**
- Improvement in **monitoring and reporting** of all strategies
- **Strengthening costing** and financial resource allocation of reform measures to **ensure financial sustainability**
- **A new strategic framework** for the next phase is needed to ensure continuity of coordinated reforms after 2022, when most strategies expire

- Progress in many areas of PDC compared to 2017
2. Policy Development and Coordination (2021 AL vs WB)

- Albania performing **above the regional average** in all PDC areas

Progress observed in most indicators since 2017

Area average

2.1.1. Fulfilment of critical functions by the centre-of-government institutions

2.2.1. Fulfilment of European integration functions by the centre-of-government institutions

2.3.1. Quality of policy planning

2.4.1. Quality of policy planning for EU integration

2.5.1. Quality of government monitoring and reporting

2.6.1. Transparency and legal compliance of government decision making

2.7.1. Parliamentary scrutiny of government policy making

2.8.1. Adequacy of organisation and procedures for supporting the development of implementable policies and legislation

2.9.1. Government capability for aligning national legislation with the European Union acquis

2.10.1. Evidence-based policy making

2.11.1. Public consultation on public policy

2.11.2. Interministerial consultation on public policy

2.12.1. Predictability and consistency of legislation

2.12.2. Accessibility of legislation

Regional range, 2021
Regional average, 2021
Albania, 2021
Albania, 2017

Progress observed in most indicators since 2017

0 1 2 3 4 5

Regional range, 2021
Regional average, 2021
Albania, 2021
Albania, 2017

Regional range, 2021
Regional average, 2021
Albania, 2021
Albania, 2017

Regional range, 2021
Regional average, 2021
Albania, 2021
Albania, 2017

Regional range, 2021
Regional average, 2021
Albania, 2021
Albania, 2017

Regional range, 2021
Regional average, 2021
Albania, 2021
Albania, 2017
2. PDC- Selected Key Highlights

- **Key CoG functions established** – important role of OPM
- An **enhanced, integrated planning tool (IPSIS)**, has been launched in 2021; but the actual benefits are yet to be materialised
- **Quality and stability of legislation is high.** Share of laws amended within one year of their adoption is low. Low rate of laws adopted in extraordinary proceedings.
- **Transparency of government decision making**- decisions are published; agendas for Government sessions are not announced in advance.
- **Active monitoring El plan** have contributed to increased implementation rates. But alignment with the Analytical Programme remains an issue.
- **Regulatory impact assessment (RIA)** has been fully institutionalised since 2019. But more needs to be done: improve quality, enhance scope, strengthen oversight, impact on final policy design.
- A new **Guideline on public consultation** was introduced in 2021. Full implementation, enhanced central oversight is needed to improve the results. Effectiveness of consultation is limited.
Selected PDC Indicators - Planning

Figure 1. Government legislative commitments carried forward

Figure 2. Alignment between the Analytical Programme and the NPEI
2. PDC- Recommendations

- Strengthening the capacities of the OPM for carrying out all key functions (co-ordination, oversight, “gate-keeping”) - OPM Rulebook.
- Ensure full operationalisation of the new IPSIS planning system.
- A more harmonised government planning (Analytical Programme, NPEI, budget, sector strategies).
- Publication of agendas of the government sessions and improved communication.
- More active role of Parliament in reviewing and evaluating laws.
- Improvement of RIA quality, widening its scope to include [most important] secondary legislation, increasing its quality control, and institutionalising training for continuous capacity building.
- Full implementation and enforcement of the Guideline on public consultation, monitor implementation of rules; regular annual reports.
- Electronic publication of all laws, including all pre-1998 legislation.
3. Public Service and HRM (ALB 2021 vs 2017)

3. Public Service and HRM (2021 AL vs WB)

3.1. Adequacy of the scope of public service and HRM
3.1.1. Adequacy of the scope of public service
3.2. Adequacy of the policy, legal framework and strategic guidance
3.2.1. Adequacy of the policy, legal framework
3.3.1. Meritocracy and effectiveness
3.4.1. Merit-based recruitment and disciplinary procedures
3.5.1. Fairness and competitiveness
3.6.1. Professional development and training
3.7.1. Quality of disciplinary procedures
3.7.2. Integrity of public servants

3. Public Service and HRM
(2021 vs 2017)
3. Public Service and HRM - Key Findings

- The scope of the civil service is comprehensive; however, exclusions to vertical scope persist and fragmentation of the horizontal scope increases.
- Competent DoPA, but political responsibility for civil service not clearly assigned.
- Ambitious HRMIS being developed (still)
- Recruitment to civil service – merit-based but not always pooled competitions
- Salary reform advanced, but not yet agreed and launched
- Management of senior civil servants differs significantly from what is foreseen in the legislation.
Annual Recruitment Plans for 2019 and 2020
3. Public Service and HRM - Key Recommendations

- TMC practices should respect the letter and spirit of the CSL
- Finalisation of harmonisation of job descriptions – competition to individual job positions should be an exception
- Finalisation of HRMIS implementation
- Finalisation of implementation of court decisions favourable to unlawfully dismissed civil servants
- Legal basis for young graduate scheme
- Salary reform – prepared and decided upon
- Clarification of “direct service delivery unit” definition and its restrictive application
4. Accountability (ALB 2021 vs 2017)

4. Accountability (2021 AL vs WB)

- 4.4.1. Fairness in handling of administrative procedures
- 4.5.1. Functionality of public liability procedures
- 4.1.1. Accountability and organisational effectiveness
- 4.2.1. Accessibility of public information
- 4.3.1. Effectiveness of scrutiny of public officials

Albania, 2021 vs Average, 2021


4.1. Accountability and organisation of central government

4.2. Accessibility of public information

4.3. Effectiveness of scrutiny of public authorities by independent oversight institutions

4.4. Fair treatment in administrative judicial disputes

4.5. Functionality of public liability regime

- Regional range, 2021
- Regional average, 2021
- Albania, 2021
- Albania, 2017
4. Accountability - Key Findings

- Unclear typology of administrative bodies – weak central policy on restructuring of agencies.
- Relations between ministries and subordinated agencies – no result-oriented steering.
- Micromanagement within ministries persists (there was some improvement, but changes are not systemic)

- SAI and Ombudsman meet international standards for independence (some limitation for the Ombudsman)
- Further decline in the implementation of Ombudsman’s recommendations
- Most trusted of all institutions
Access to information ALB 2017 vs. 2021

- Requests for information held by a government agency are granted in a timely manner
- The information provided is pertinent and complete
- Requests for information are processed at a reasonable cost

2017 vs. 2021 comparison.
Basic parameters of efficiency of the Administrative Court of Appeal (2018-2020)

- **Calculated disposition time (days):**
  - 2018: 802
  - 2019: 1171
  - 2020: 4015

- **Clearance rate (%):**
  - 2018: 107%
  - 2019: 86%
  - 2020: 37%
4. Accountability - Key Recommendations

- Strengthen central oversight and control over organisational changes in the public administration, particularly in the creation of new bodies, to prevent excessive agencification.
- Strengthen the Commissioner’s mandate to collect data, conduct inspections and amend the provisions relating to sanctions, so that violations of the right to information are effectively penalised.
- Address the increasing problem of the lack of responsiveness of public administration bodies to the Ombudsman’s recommendations.
- Urgently develop and implement an action plan for tackling the enormous backlog in the Administrative Court of Appeal.
Increased progress in the Service Delivery area in Albania over time and compared to the region.
5. Service Delivery - Key Findings

- Stable policy framework and institutional set-up
- 95% services online (and high level of digital maturity)
- Accessibility via growing number of front offices

High public satisfaction with online availability and uptake of e-services

- It is possible and I am using this service
- It is possible but I do not know how to do this/do not have computer/Internet
- It is not possible
- DK/Refuse

Note: Data refer to a question: Is it possible to get your personal documents (birth certificate, citizenship, etc.) or any other personal document - online?
Albania’s efforts to increase accessibility and quality of service delivery have resulted in increased overall satisfaction of citizens and businesses.

Note: The average share of citizens who answered “mostly satisfied” or “completely satisfied” to the statements: “Could you please tell how satisfied you are with each of the following in your place of living?” in relation to: “Administrative services from central government (such as passports and personal identification [ID])”, “Accessibility to public services” and “Accessibility to public services via a digital channel”. The average share of citizens who answered “good”, “very good” and “excellent” to the following question: “How would you grade the following issues?” in relation to: “Time required to obtain public services” and “Price of public services”. Only those respondents who have been in contact with central government services in the past year are included.

5. Service Delivery - Key Findings

- **Key (digital) enablers in place**
  - Interoperability platform and increasing number of connected registries
  - Digital signature and payment take-up?

- **CAP since 2016 crucial milestone**
  - Harmonisation is slow
  - Legalistic approach

- **Use of quality management & user engagement tools**
  - User engagement tools widely spread
  - Quality management only sporadic use
  - Citizens with special needs (policy implementation gap)
5. Service Delivery - Key Recommendations

- **harmonisation** of special legislation with the CAP...
- ...and use opportunity to **simplify** and re-engineer administrative procedures.
- continue make **digital signatures and e-payment appealing**
- Develop approach on **quality management standards**
- general policy on accessibility of public services for **special-needs users**
6. Public Finance Management (2021 AL vs 2021 WB)
6. Public Finance Management

Albania’s performance is strong in many PFM indicators, and its national average exceeds the regional average.
6. PFM - Key Findings (1)

Fiscal outcomes

• The fiscal performance in Albania has been stable. From 2015 to 2019, public debt was on a downward trend.
  ▪ But as a result of the economic contraction caused by the pandemic, it increased to 76% in 2020.
  ▪ The weaknesses in monitoring the fiscal risks from the borrowing and debt of state-owned enterprises (SOEs) is a concern in this respect.

Budget planning

• Process and content of the annual budget planning process is adequate and improvements in fiscal rules and substance of the Medium-Term Budget Programme (MTBP);
• Strategic role of MTBP is weakened by:
  – Low credibility of revenue estimates
  – Unstable expenditure ceiling for some main spending ministries between the MTBP and the annual budget;
  – High number (44) of first level budget users;
  – Lack of independent cost/benefit calculation of major investment projects
  – Fiscal council not yet established.
6. PFM - Key Findings (2)

Public internal financial control

• Improved content, frequency and transparency of budget documents and execution reports.

• A fairly complete legal and operational framework for internal control (IC) and internal audit (IA)
  - Further improvements (guidance on delegation and QA for IA);
  - Public Internal Financial Control (PIFC) Strategy 2021-2022;
  - Improvements in risk management and delegation
  - 81% of IA units comply with minimum staffing requirement

• Weakness in implementation of the IC and IA frameworks
  - Number of first level budget users has increased;
  - Expenditure arrears persist casting doubt on quality of commitment control;
  - Lacking procedures for irregularity management in BOs;
  - Downward trends in the proportion of systematised IA posts filled and the proportion of IA staff who hold a certificate.
6. PFM - Key Findings (3)

Public procurement (1)

• Improvements in four principles used by SIGMA to assess public procurement covering legislation, central administrative capacity, remedy system, value for money:
  ▪ Only capacity in and support to (decentralised) contracting authorities and economic operators remained stagnant.

• Key observations:
  ▪ The adoption of the new Public Procurement Law in December 2020 and the Defence and Security Procurement Law in April 2020 were important milestones in the harmonisation with the EU acquis.
  ▪ The first comprehensive and public procurement multi-year Strategy (2020-2023) was also adopted in November 2020.
  ▪ The number of appeals fell significantly compared with previous years.
  ▪ The performance of the Public Procurement Commission (PPC) has significantly improved; a new website of the PPC was put in operation in May 2021.
  ▪ A new e-appeals system which has been successfully implemented by the PPC since 14 June 2021.
6. PFM - Key Findings (4)

Issues for future improvement in public procurement:

i. The size of the procurement market in terms of value of contracts has increased, but competition in public procurement, measured in terms of an average number of bids, remains low: (above ALL 800,000 threshold: 2.57 in 2020 (3.05 in 2018).

- to complete the harmonisation of public procurement legislation by removing the remaining inconsistencies in the PPL and CPPPL and increasing the participation of foreign companies by removing administrative burdens that are not required by EU law

ii. Capacity in and support to (decentralised) contracting authorities and economic operators.

- Institutionalise systematic training in public procurement for procurement staff
- Make available comprehensive manual or article-by-article commentary on the provisions of the PPL covering the whole procurement process
6. PFM - Key Findings (5)

External audit

• There were no significant changes to the legal framework governing the work of the State Supreme Audit Institution (SSAI). The framework is closely aligned with international standards and continues to be applied and respected in practice.
  - But, absence of a substantive Chair for 18 months after the conclusion of the mandate of previous Chair in December 2018

• The perception by the public of the independence of the SAI is relatively low, at 39% (2020), but this represents a significant improvement on the last assessment in 2017, when the figure was 26%.

• Key issues for improvement is the cooperation between the SSAI and Parliament.
Reflections from the Administration:
Good Governance 2030 Road Map within the EU integration frame

Ms Majlinda Dhuka
Office of Prime Minister
Importance of Public Administration Reforms in the EU Enlargement Process

Mr Florian Hauser
Head of the PAR Unit, DG NEAR/European Commission (online)
Importance of Public Administration Reforms in the EU Enlargement Process

Mr Hubert Perr

Head of Cooperation, EU Delegation to Albania
Closing remarks