

**PUBLIC
ADMINISTRATION
REFORM PLAN
FOR 2020**



Valsts kanceleja
Rīga, 2017

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Foreword from the Prime Minister

My colleagues ministers, honourable society,

the public administration is the government's strongest aid – a strong shoulder to lean on for sectoral ministers and anyone who is trying to implement meaningful reforms.

It must comply with international standards, be flexible in the changing political and economic environment when fulfilling expectations of the society and partners, but at the same time strong in its conviction and fair in its actions for the benefit of not only one industry, but the whole society.

I have always stressed: clear objectives have to be established, specific actions and their performers have to be named. Only so we will be able to move towards that what we desire. This was expressed in the Declaration and Action Plan of my government. I am delighted to see that this principle has also been put into practice in the Public Administration Reform Plan 2020 which sets clear results to be achieved within the next three years.

Its tasks represent several important guidelines in the public administration. I especially want to emphasize the cooperation within the public administration that goes beyond the imaginary borders of competencies, and the creativity without which we will fail to find a solution for the major challenges as they do not respect areas of competence.

I wish to see a strong public administration that flexes its muscles in deeds. This Plan for reforms is a step towards a public administration which would be a unified team of professionals. I am certain that, by working together to fulfil the clearly established objectives, we will be able to reach them sooner than expected.

May we succeed!

Sincerely,

the Prime Minister
Māris Kučinskis

Foreword from the Director of the State Chancellery

Honourable colleagues from the public administration and partners,

we – public administration employees – work tirelessly every day for the benefit of our country, creating its present and future. Yes, we undoubtedly have something to be proud of – we have been able to establish a public administration system that is appropriate for a democratic country.

However, the dynamic development of the modern world does not let us to be content with what we have already achieved. In these times, when the world continuously improves and seeks only to have new developments, we, the public administration, cannot and must not fall behind.

At the moment we are facing great challenges that are caused by the changing political and economic environment of the 21st century. The public administration must be able to respond swiftly to changes within the society and the world, and also to compete with the private sector for limited human resources in the labour market.

Society expects that the public administration will spend public resources in an effective and efficient manner, provide qualitative and accessible public services, and serve the public interests in good faith.

Nowadays those values that until now have been mainly associated with the private sector – flexibility, innovation, initiative, effectiveness and productivity – are gaining greater importance in the operations of the public administration. Although these values are also characteristic of the public administration, until now their relative importance has been low in comparison to the private sector.

It is time to change!

Today we offer for your assessment the Public Administration Reform Plan 2020. This Plan provides a clear vision on the directions in which the public administration is to be reformed in the nearest future – economy, effectiveness and efficiency.

Implementation of this reform requires courage, strong commitment, knowledge and leadership. Its implementation will be possible only if we all work together towards a common goal – to have a better public administration.

I know that together we will succeed!

Honourable colleagues, partners and people with ideas, I thank you for the involvement and participation in the creation of this Plan.







I wish you every success in your work!

The director of the State Chancellery
Jānis Citskovskis

Summary of the Public Administration Reform Plan

Directions of the public administration reforms have been developed by analysing the functions and processes of public administration, human resources, problems and societal needs in three dimensions – economy (lesser investments), efficiency (investments according to outputs) and effectiveness (smart investments). Although the challenge of the public administration is to provide better services (effectiveness) for less money (economy), the costs must be also measured against the value obtained (efficiency).

The directions and measures for reforms included in the Public Administration Reform Plan 2020 (hereinafter – the Public Administration Reform Plan) offer to focus on that what is the most important – measures that can be implemented within three years and that will provide a development impulse for the improvement of the quality and effectiveness of the public administration. The ten directions of reforms shall be implemented in conjunction with one another to ensure achievement of the targeted results, and at the same time provide appropriate instruments to the heads of the institutions of public administration for their achievement.

| |  Economy (lesser investments) |  Efficiency (make investments according to outputs) |  Effectiveness (smart investments) | |
|---|--|---|--|---|
| PEOPLE (of the public administration)  | Reduction and supervision of the number of employed persons Most of the vacant positions are liquidated; creation of new positions is frozen for the next three years; the number of workloads of a position in the direct public administration is reduced by approximately 6%. | Revision of the remuneration policy The existing remuneration policy is revised by raising the ceiling on salaries in the public administration by up to 80 % of the amount of salaries paid in the private sector at the expense of internal economy, and also the bonuses and supplements are revised. New remuneration regulation is proposed. | Results-oriented performance management Uniform key performance indicators are defined for all heads of institutions, and they are regularly measured and published. | |
| PROCESSES (of the public administration)  | Regular review of the budget expenditure Continuous review of the planned expenditure at the expense of the effectiveness of the activities and raising the productivity of institutions, simplified budgeting process and tools for explaining the budget to the society. | Centralisation of support functions and evaluation of the efficiency of small institutions Functions of very small and small institutions are reviewed and evaluated. Main focus is on the gradual centralisation of support functions. | Work of task forces for the implementation of government's priorities Pilot projects are implemented for two priorities of the government through the introduction of the task force approach, thereby strengthening the horizontal cooperation and, instead of the process, focusing on the achievement of results. | Development of the competencies required in future of the public administration employees The professionalism and ability to adapt to future changes and challenges of the public administration employees is strengthened. |
| PUBLIC interests  | Movement towards the zero bureaucracy Reduction of the normativism, development of a better regulation policy, transition to effectiveness audits, simplification of administrative procedures and reduction of reports. | Increasing the value of public administration services Methodology for the re-design of services and five pilot projects for the improvement of the public administration services. | Strategic communication on government's priorities and reforms A national strategic communication system is created and integrated communication campaigns on government's priorities are implemented, explaining the decisions taken by the government to the public | |

The public was extensively involved in the drawing up of the Public Administration Reform Plan, including through the use of innovative approaches: an idea hackathon in which high level experts participated was organised for the development of innovative proposals, within

the framework of the innovation platform Demola an interdisciplinary student group worked on their proposal, an alternative discussion “Ko nevar valsts pārvalde?” [What the Public Administration Cannot Do?] was organised. In parallel, the mid-term evaluation of the Guidelines for the Development of the Public Administration Policy 2014–2020 and the Concept of Human Resource Development in Public Administration was performed with the involvement of the cooperation partners of public administration in the focus groups. Institutions of public administration and the public were extensively involved in the discussions about the possible action directions and measures – the evaluation and proposals for the discussion “Valsts pārvaldes politika: pašreizējā situācija un nākotnes izaicinājumi” [Public Administration Policy: Current Situation and Future Challenges], the roadmap for reforms “Efektīva, atbildīga un elastīga valsts pārvalde” [Effective, Responsible and Flexible Public Administration] was published, and a draft Public Administration Reform Plan was prepared by taking into account the opinions expressed.

Introduction

[1] The Public Administration Reform Plan is a development planning document that, as a successor, continues to fulfil the objectives specified in the Guidelines for the Development of the Public Administration Policy 2014–2020¹ and the Concept of Human Resource Development in Public Administration². The Public Administration Reform Plan has been drawn up under the assignment provided in Sub-paragraph 34.6 of the Government Action Plan for the Implementation of the Declaration of the Intended Activities of the Cabinet Led by Māris Kučinskis which provided that “a reform plan shall be drawn up for the development of a modern and effective public administration and human resources in order to provide smart, targeted and timely solutions for societal needs”.

[2] The Public Administration Reform Plan is connected with the National Development Plan of Latvia for 2014–2020 which determines a methodical, comprehensive and sound development of human resources and state-provided services by ensuring the improvement of the necessary competencies and cooperation mechanisms aimed at the improvement of the efficiency and quality of public administration, improvement of the quality of laws and regulations and testing of provisions to prevent the imposition on inadequately strict requirements and their adoption into the national legislation, thus reducing administrative burden as much as possible [154], and also by improving the communication of public administration bodies with the public on issues affecting people the most [338].

[3] The Public Administration Reform Plan has been drawn up by taking into account the increasing public demand for the effectiveness and competitiveness of public administration, simplification of processes and reduction of the burden. “How public administrations function impacts countries’ growth potential and their citizens’ well-being. Efficient public administrations serve the needs of citizens and businesses. This generates pecuniary benefits and enhances trust in institutions, which in turn increases tax compliance.”³ **Effective work of the public administration is a precondition for changing the attitude of the public towards the ability of the State to ensure the best possible public resource management and provision of services.**

[4] The objective of the Public Administration Reform Plan is to have an agreement on the directions and expected results of the reforms in order to ensure an effective, responsible and flexible public administration. **The directions proposed in the Plan provide the basis for the change in the public administration culture. They aim to create such work where the culture of values⁴, spirit of cooperation and flexibility in achieving the objectives prevails instead of normativism and bureaucracy, and each activity is based on responsible actions both in individual and collective level.**

[5] In order to achieve the desired result, it must be recognised that people and their attitude towards work is an invaluable resource alongside processes and financial resources. Since the

¹ Guidelines for the Development of the Public Administration Policy 2014–2020. See: <http://polsis.mk.gov.lv/documents/5069> (in Latvian)

² Concept of Human Resource Development in Public Administration See: <http://polsis.mk.gov.lv/documents/4231> (in Latvian)

³ European Commission. European Semester Thematic Factsheet. Quality of Public Administration. 2016. See: https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/thematic-factsheets/public-administration_en

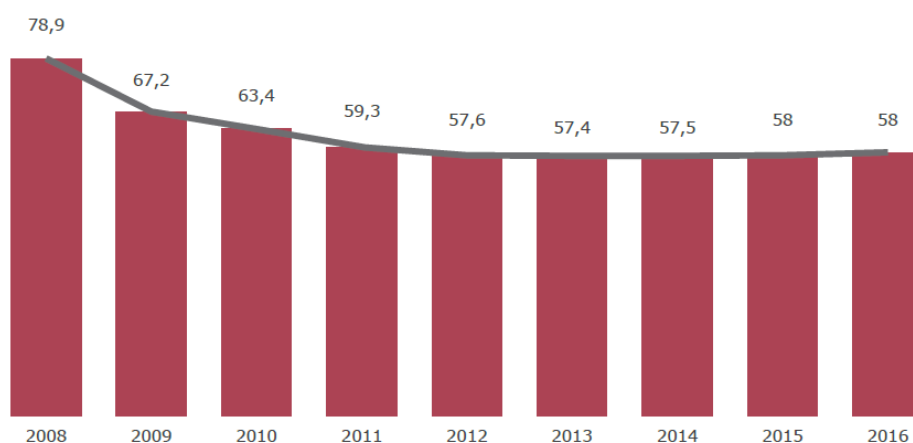
⁴ Procedures, orders and control have a less important role in organisations with strong value systems, because the actions of its employees are set by the values. Baltic Institute of Social Sciences, SIA O.D.A. The Study on the Future Role and Development of the Public Administration. 2015. p. 6. See: http://www.eupan.eu/files/repository/20150918144657_BISS_TheStudy_ENG.pdf

economic crisis, targeted and sustainable investments have not been made in the development of the public administration human resources. This has decreased not only the attractiveness of the public administration as an employer, but also the general image of the public administration. At the same time it is important to recognise that the **proposal of the Public Administration Reform Plan has been designed to not increase the expenditure of the State budget. Instead possibilities for the introduction of new solutions that would be based on effectiveness, economy and an innovative approach are being sought.**

Characterisation of the Current Situation

[6] The development of public administration is an ongoing process that, by adapting to the influence of external environment, development of the national economy and the socioeconomic situation in the country, requires changes both in the institutional system of the public administration and the process management and competences. Latvia has a small and open economy which was severely influenced by the economic crisis of 2008. It encouraged the introduction of significant public administration reforms, including the reduction of the number of public administration employees (by a quarter (26 %) or approximately 20 thousand employed persons) and the reduction of remuneration (for example, salaries of the heads of institutions still lag behind the pre-crisis levels by 40 %), as well as the freezing of human resources development and introduction of other austerity measures.

Average number of employees in the State budget institutions in 2008–2016, thousands (actually employed)



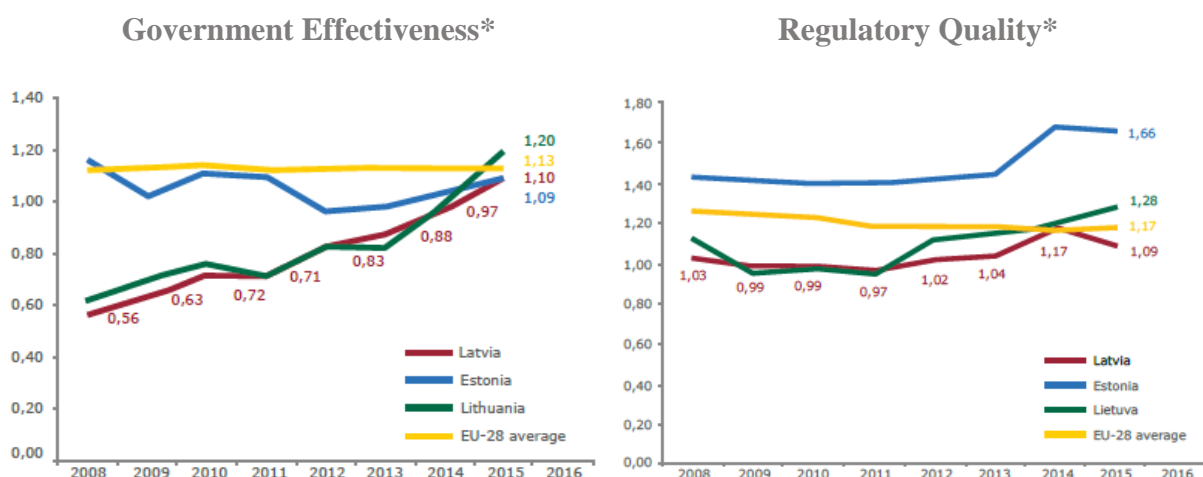
Source. Ministry of Finance

[7] Since the approval of the plan of measures for the optimisation of public administration system and civil service (approved by Cabinet Order No. 483 of 22 July 2009), the objective of the administration reforms has been the movement towards a small, professional and people-oriented public administration that serves the needs of the whole society. Respectively, the objective set in the Guidelines for the Development of Public Administration Policy 2014–2020 (approved by Cabinet Order No. 827 of 30 December 2014) provides an additional perspective by putting an emphasis on an effective, accessible, innovative, professional and results-oriented public administration. Series of actions for ensuring effective work of public administration were also included in the Concept of Human Resource Development in Public Administration (approved by Cabinet Order No. 48 of 6 February 2013) to facilitate work of professional, motivated people acting with integrity in public service.

[8] Guidelines for the Development of Public Administration Policy 2014–2020 determine policy results and their indicators:

- the policy objective “The public administration in Latvia is accessible, innovative, professional and results-oriented” is measured with the internationally comparable indicators “Government Effectiveness” and “Regulatory Quality”;
- in its turn, the objective “The number of public administration employees is adequate for the needs and does not have a trend to increase” is measured with the data of the

Central Statistical Bureau on the share of the persons employed in general government sector of the total population.



*Comparison of the Baltic States against the average European Union indicator (-2.5 is a weak performance; 2.5 – a strong performance).

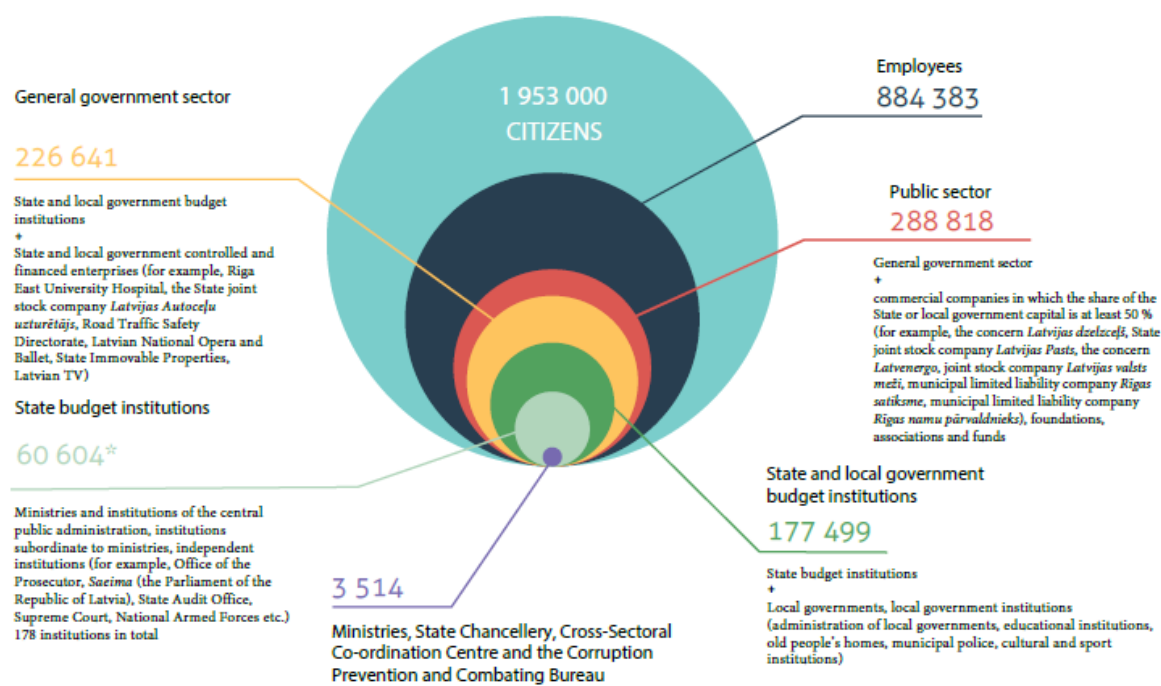
Source. The Worldwide Governance Indicators, World Bank (see: <http://info.worldbank.org/governance/wgi/index.aspx#home>)

[9] The government effectiveness indicator shows a significant progress – in 2015 the value of 1.1 was reached which exceeded the previously set medium term objective for 2020. According to this indicator Latvia still lags behind the European Union average, but has come significantly closer to its indicators since 2008. Main factors that have facilitated the progress of Latvia are the increase of the number and availability of e-services and improvement of the policy planning quality.

[10] Considering the regulatory quality indicator, in 2014 Latvia reached the European Union average indicator, but is still lagging behind, for example, Estonia that has achieved a very swift progress. The rapid jump of the neighbouring country is due to the decision taken by the Estonian government at the end of 2012 to approve and introduce the impact assessment methodology that included also the ex-post impact assessment and monitoring of the regulatory quality. In 2016 the Cabinet also approved the conceptual report Introduction of the Ex-post Impact Assessment (approved by Cabinet Order No. 495 of 31 August 2016) in Latvia which provided for the introduction of the impact assessment of the legal acts and regulations at the level of executive authority. In 2017 the Plan for the Business Environment Improvement Measures (approved by Cabinet Order No. 125 of 15 March 2017) that introduced the “Consult First” principle and provided measures for the simplification of regulatory framework and reduction of the administrative burden on entrepreneurs was adopted. Since 2016 the State budget expenditure has been reviewed every year.

[11] In its turn, the indicator of the objective for ensuring that the number of public administration employees is adequate for the needs and does not have a trend to increase should be reviewed by taking into account the influence of the Cabinet on the number of employees in the general government sector. Half (52 % or 117 thousand) of the employees in the general government sector are working in local governments and their institutions, almost 10 % or 22 thousand persons are the employees of the state-owned enterprises, almost 6 % or 13 thousand – employees of local government capital companies, and only almost a quarter or 60.6 thousand persons are working in the State budget institutions, respectively, ministries, their subordinate institutions and the so-called independent institutions. At the end of 2016, the increase in the employment in the general government sector by 81 % was related to the

increase in the number of employees in local governments, local government and state-owned enterprises and institutions of higher education. **Although the enterprises and institutions of higher education that are under the control of the State and local governments are autonomous in taking decisions on the number of employees, the Public Administration Reform Plan also calls for local governments and enterprises to set an objective of not increasing the number of employees and even reducing it, and also to follow other measures referred to in this Plan.**

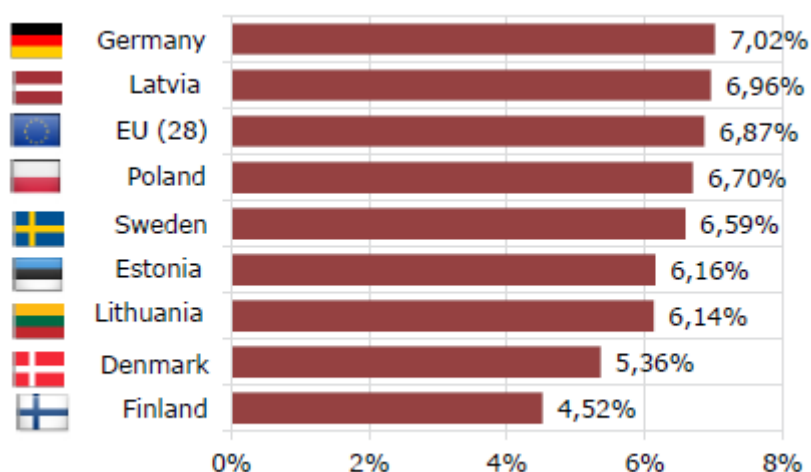


*The data of the Central Statistical Bureau and the Ministry of Finance (p. 7) differ due to the fact that the Central Statistical Bureau takes into account both the persons actually employed and being absent.

Source. Data of the Central Statistical Bureau for 2016 (see: http://data.csb.gov.lv/pxweb/lv/Sociala/Sociala_isterm_aiznemtdv/jvs0010c.px/?rxid=cdbc978c-22b0-416a-aacc-aa650d3e2ce0; http://data.csb.gov.lv/pxweb/lv/Sociala/Sociala_isterm_iedz/IE0010m.px/?rxid=cdbc978c-22b0-416a-aacc-aa650d3e2ce0 (in Latvian), and unpublished data according to the institutional sector classification, see: <http://www.csb.gov.lv/isk2013> (in Latvian))

[12] It lies within the competence of the Cabinet to influence the number of employees in ministries and their subordinate institutions. **Respectively, of the 226.6 thousand persons employed in the general government sector the Cabinet can directly influence 58 thousand persons** (except for independent institutions). By comparing the international indicators according to a uniform methodology, it can be concluded that **the number of public administration employees in Latvia is higher than the average European Union indicator.**

The number of public administration employees in 2016 in comparison with the total number of employees in the country, %



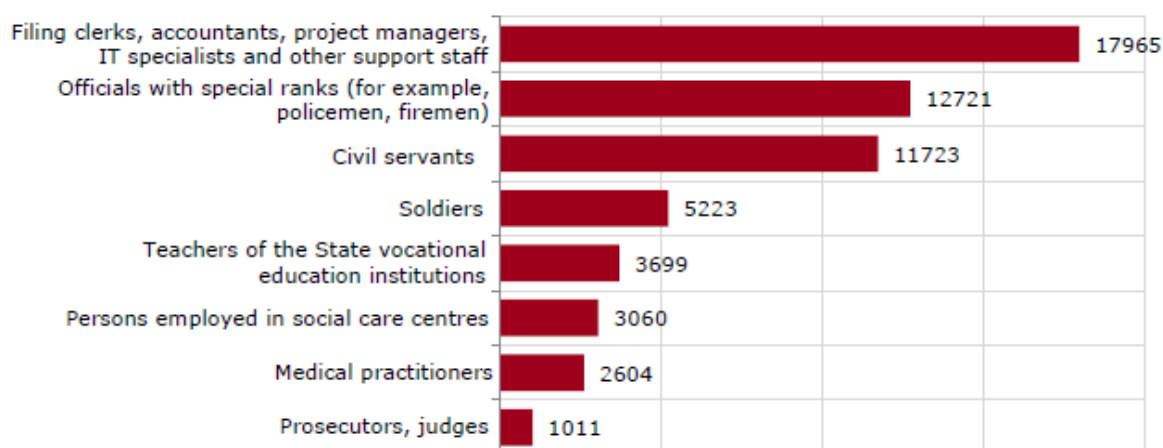
* The methodology of Eurostat does not take into account the data on the persons employed in the institutions of public administration provided previously, but bases its calculations on a household survey, therefore a statistical error may occur.

The methodology of Eurostat is not based on the sectoral breakdown of Latvia provided before. Within its methodology, Eurostat jointly considers separate groups from different sectors – administration of the State and local government budget institutions, and also separate groups of employees, including officials with special service ranks, judges, employees of social care centres, diplomats and customs officers.

Source. Eurostat data for 2016 (see.: http://ec.europa.eu/eurostat/web/products-datasets/-/lfsa_egan2)

[13] It must be recognised that, when talking about 58 thousand employed persons, there must be a common understanding of what is included in this number. Otherwise, the public may erroneously think that these 58 thousand persons are performing administrative functions in the never-ending labyrinth of corridors within institutions. Before discussing dismissal of these persons, one must understand that most of them are performing such tasks important for the State like internal and external safety, vocational education, emergency medical assistance and social care. Only a small part thereof (approximately 11.7 thousand) are civil servants.

The actual share of employees in the State budget institutions broken down by groups of employees



Source. Data of the Ministry of Finance for 2016

[14] The study on future trends in the labour market⁵ concluded that, as the total number of workforce will shrink, the competition for attracting quality specialists will become increasingly stronger in Latvia. It was also concluded that one of the most significant factors preventing the potential candidates from working in public administration is the inability of the public administration to offer a competitive remuneration. Therefore, the reduction in the total number of employees in the labour market, labour market forecasts (including, increase in the information and communication technologies (hereinafter – ICT) solutions and use of e-services), the increasing demand of the public for a small and effective public administration, and the need to ensure a competitive remuneration within the framework of the existing budget requires public administration to reduce the number of employees.

[15] By evaluation of the satisfaction with the services provided by the public administration which is based on actual interaction,⁶ in the study of November 2016, more than 3/4 of the respondents stated that during the last interaction the employees of the respective institution were kind, knowledgeable and professional, responsible for their work and its outcomes, were talking and writing in an intelligible and simple language, were respectful and had positive attitude towards the customer and his or her needs. 47 % of respondents recognised that most of the civil servants could be trusted with work for the benefit of the State, and that in overall the public administration employees are performing their duties in good faith.

Characterisation of the last interaction with a public institution



Basis: respondents who have indicated the institution with which they had the last interaction, n=842

Source. Marketing and public opinion research centre SKDS (2016), Valsts pārvaldes klientu apmierinātības pētījums

[16] The respondents of the survey also compared how the activities of the respective

⁵ Baltic Institute of Social Sciences, SIA O.D.A. The Study on the Future Role and Development of the Public Administration. 2015. See: http://www.eupan.eu/files/repository/20150918144657_BISS_TheStudy_ENG.pdf

⁶ Marketing and public opinion research centre SKDS. Valsts pārvaldes klientu apmierinātības pētījums. 2016. See: http://mk.gov.lv/sites/default/files/attachments/atskaite_petijuma_zinojums_vk_112016.pdf (in Latvian)

institution had changed since the last interaction. 32.8 % of customers indicated that the activities had improved, 49.6 % stated that the quality of the activities had not changed and only 2.1 % answered that the activities of the institution had worsened.

[17] In order to collect the public opinion on the possible action directions, in November of 2016 the document “Efektīva, atbildīga un elastīga Latvijas valsts pārvalde” [Effective, Responsible and Flexible Public Administration of Latvia] was submitted for discussion. 53 addressees provided written feedback (non-governmental organisations, public administration and private persons) containing 270 comments, opinions and proposals. In addition to that several face-to-face discussions were organised (an alternative discussion “Ko nevar valsts pārvalde”, discussion with public administration auditors, human resource managers, legal departments, the directions were discussed in the Public Administration and Local Government Committee of the *Saeima*, Latvian Chamber of Commerce and Industry, etc.; 250 participants in total), and also the surveying of state secretaries of ministries regarding directions of reforms has been conducted. The most-discussed directions were the effectiveness of the small and very small institutions, centralisation of functions, 1 % effectiveness program, measurement of the performance of managers and revision of the remuneration system.

[18] In the drawing up of the proposal for the Public Administration Reform Plan, account was also taken of the public administration development trends in other countries (mostly in the Member States of European Union and the Organisation for Economic Co-operation and Development) where different innovative work methods are tested in the public administration, administrative simplification and evidence based policy creation (ex-ante and ex-post impact assessment) is carried out, strategic planning and performance management systems are optimised, function audits are conducted, the number of employees is reduced and support functions are centralised, information and communication technologies are used and e-services are introduced, and also flexibility is ensured for managers to achieve the objectives.

The Most Important Problems Identified

[19] **At the moment the public administration and human resource development policy is not flexible enough and cannot adapt to the swiftly changing environment and public interests.** The existing approach must be revised. There is no point in planning unrealistic things for the introduction of which the necessary financial and human resources are also not available. Instead we offer to switch to the inclusion of such actions that are targeted and can actually be accomplished, and that would facilitate the development of public administration.

[20] **Reforms and improvement of the work of public administration must be assessed in terms of economy, effectiveness and efficiency by focusing the intellectual and financial resources on the priority areas.** The public administration tend to determine a series of tasks (for example, the Guidelines for the Development of the Public Administration Policy 2014-2020 has 86 tasks, part of which require regular reporting to the Cabinet), thereby creating a significant consumption of human resources and internal administrative burden within the public administration.

[21] The issue of a more liberal State management and change of the legal culture by moving towards more general principles of law, instead of a detailed regulatory framework, is being discussed on an increasingly wide-spread level. **The public administration must seek to reduce the unnecessary bureaucracy in the communication between the citizens and entrepreneurs and the State.** The introduction of the zero bureaucracy approach is a prerequisite for the transition towards a small and analytical public administration, facilitating market surveillance and control that would be based on risk analysis and oriented towards mutual cooperation. **Both the public administration and the public needs a greater individual accountability and a fundamental change in the mindset.**

[22] A challenge which is still relevant for the public administration is the simplification of the planning and reporting system, **including the definition, achievement, measurement and explanation to the society of clear and comprehensible results. The performance is not directly connected with the remuneration policy, therefore the increase of the productivity** and strengthening of the accountability of the senior managers for the implementation of priority reforms and achievement of effectiveness objectives is impeded.

[23] A study on the role of the public administration and its development in the future concluded that: “one very important advantage of the public administration sector as a potential employer is the opportunity to perform in certain respects unique, interesting and responsible work, namely, it is an opportunity to take part in the planning and introduction of national policy. However, in the view of experts, the most important factors that prevent potential employees from working in public administration are difficulties to offer competitive remuneration, hierarchical work structures and the negative public image of public administration.”⁷ Thereby **the public administration gradually loses those competences which are of strategic importance. The inability to implement the reform for the work remuneration system within more than 10 years and other described circumstances have facilitated the outflow of qualified specialists to the private sector and international organizations.** 90 % of the public administration employees earn less than the conceptually allocated 75–80 % of the remuneration of similar positions in the private sector⁸. Furthermore, significant differences in the remuneration funds of institutions have

⁷ Baltic Institute of Social Sciences, SIA O.D.A. The Study on the Future Role and Development of the Public Administration. 2015. p. 7. See: http://www.eupan.eu/files/repository/20150918144657_BISS_TheStudy_ENG.pdf

⁸ SIA Fontes vadības konsultācijas. Salīdzinošais pētījums par atalgojuma apmēru. 2016. p. 27

formed historically, creating an unequal approach and competition within the public administration.

[24] It is important to recognise that the labour market is constantly changing, and the **classic “carrot and stick” approach is not working any more**. In addition to remuneration, such motivational factors like the content of work and development opportunities, management style and cooperation within a team, and also flexible working hours are becoming increasingly important. “Managers will have to strive to achieve higher levels of motivation from their staff, despite limited financial resources to do this and facing competition from the private and non-governmental sector for the most talented employees. Complex challenges and a public wish to take part in public management will make managers look for and work towards a balance between a hierarchical and network-based organisational relationship. Continuous change and developments in the external environment will create pressure on managers to act flexibly and provide continuous development, both at a personal, staff level and also within public administration organisations.”⁹ Therefore, **investments directly in managers are critically important**.

[25] **Within the last three years, almost half of the citizens of Latvia have had a positive reaction towards the simplification and improvement of the services provided by the public administration. Furthermore the public confidence in the fact that the public administration employees are performing their duties in good faith and they may be entrusted with work for the benefit of the State is also increasing**. However, in the public domain, including the media, the prevailing opinion is rather critical which indicates that there is a need for strengthening the strategic communication and explaining the work done by the public administration to the public.¹⁰

See: http://petijumi.mk.gov.lv/sites/default/files/title_file/salidzinosais_petijums_par_atalgojuma_apmeru.pdf (in Latvian)

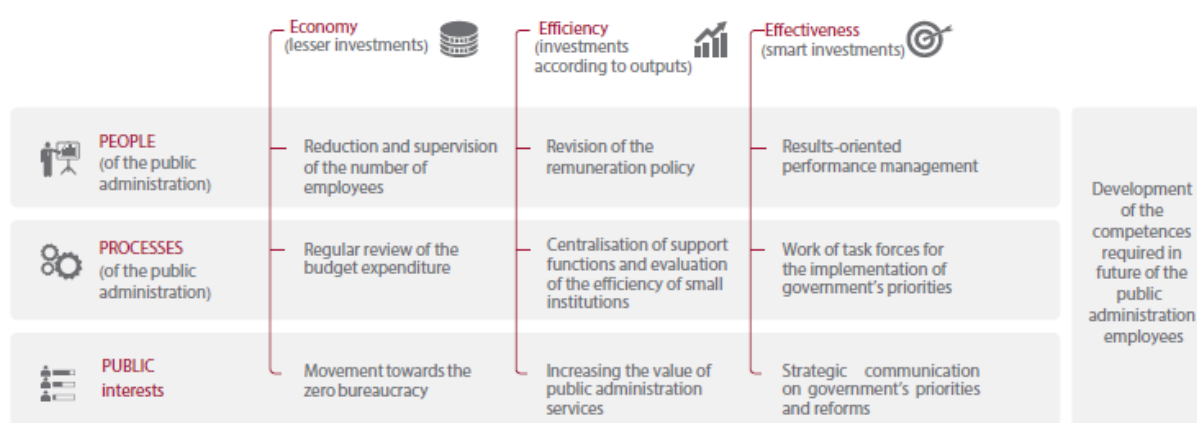
⁹ Baltic Institute of Social Sciences, SIA O.D.A. The Study on the Future Role and Development of the Public Administration. 2015. p. 14. See: http://www.eupan.eu/files/repository/20150918144657_BISS_TheStudy_ENG.pdf

¹⁰ This especially applies to the audience of young people in the age of up to 24 years, people living in Riga and its closest regions, and people with upper-middle income who belong to target groups that have a more critical opinion.

Vision of the Public Administration Reform Plan

[26] Taking into consideration the problems identified, **the directions and measures for reforms included in the Public Administration Reform Plan offer to focus on that what is the most important – measures that can be implemented within three years and that will provide a development impulse for the improvement of the quality and effectiveness of the public administration.** Ten directions of reforms are being proposed that shall be implemented in conjunction with one another to ensure the achievement of targeted results, and at the same time to offer appropriate instruments to the heads of the institutions of public administration for their achievement. We invite not only the co-responsible institutions indicated in the Plan, but also anyone who wishes to contribute to the introduction of meaningful and qualitative changes to proactively participate in the further development and implementation of public administration reforms, and to support the responsible institution.

[27] Directions of reforms have been developed by analysing functions and processes of the public administration, human resources, problems and **societal needs in three dimensions – economy (lesser investments), efficiency (investments according to outputs) and effectiveness (smart investments).** Although the challenge of public administration is to provide better services (effectiveness) for less money (economy), the costs must be also measured against the value obtained (efficiency). In addition to the specific measures included in the Public Administration Reform Plan, each institution must follow the principle of good governance in its daily work by organising the work and providing services as conveniently and effectively as possible, including by regularly reviewing the functions, making proposals for the improvement of processes and giving up that what is not essential.



[28] **The public expects a reduction of the number of public administration employees,** and that is one of the action directions in this Plan. But in order to keep the highly qualified experts currently employed in public administration and to attract competent professionals with skills like analytical thinking, strategic planning, creativity and flexibility, **at the same time it is necessary to improve the remuneration policy by linking it with specific performance measurement indicators, and to purposefully develop the competences that will be necessary in the future within the public administration.**

[29] It is also necessary to improve **the system for the continuous revision of the planned budget expenditure to encourage continuous development of the administrative processes of public administration and a mindset that would be based on saving the taxpayer money.** In order for the heads of the institutions of public administration to be able to reach such savings, transition from compliance audits to efficiency audits will be made and the internal administrative burden on institutions shall be continuously reviewed and reduced.

[30] For the institutions of public administration and their heads to be able to reach the key performance indicators set for them, in addition to the aforementioned resources the initiatives for **increasing the service quality and reduction of costs of public services are being established**. The Plan foresees a possibility **to create task forces** for essential issues of State development, and also introduction of the strategic communication approach to explain in timely manner the changes planned and their influence on citizens.

[31] **At the moment the Public Administration Reform Plan does not affect the area of operation of local governments and does not duplicate the measures already provided in other development planning documents or government assignments**, including the Information Society Development Guidelines 2014–2020 on the use of the possibilities of information and communication technologies for better governance, Plan for the Business Environment Improvement Measures on the introduction of the “Consult First” principle and creation of public administration services that can be conveniently used and correspond to market needs, solutions for the reduction of amendments to laws and regulations and amount thereof offered in the informative report “Priekšlikumi ārējo normatīvo aktu grozījumu skaita apjoma samazināšanai” [Proposals for the Reduction of the Number of Amendments to External Laws and Regulations].

[32] **The Public Administration Reform Plan also does not include all measures in the areas of public administration and human resources that will be implemented in 2017–2020 or the improvement of the existing regulatory framework and processes**. For example, the ex-ante and ex-post impact assessment of laws and regulations and policy planning documents before and after their adoption and introduction, work on strengthening the public participation and improving participatory mechanisms, quality management as a tool for the continuous improvement of processes and services of the institutions of public administration, implementation of the Programme for the Development of Senior-Level Managers, strengthening of the ethical principles of public administration employees and improvement of the customer service quality will still be carried out.

Objective of the Plan

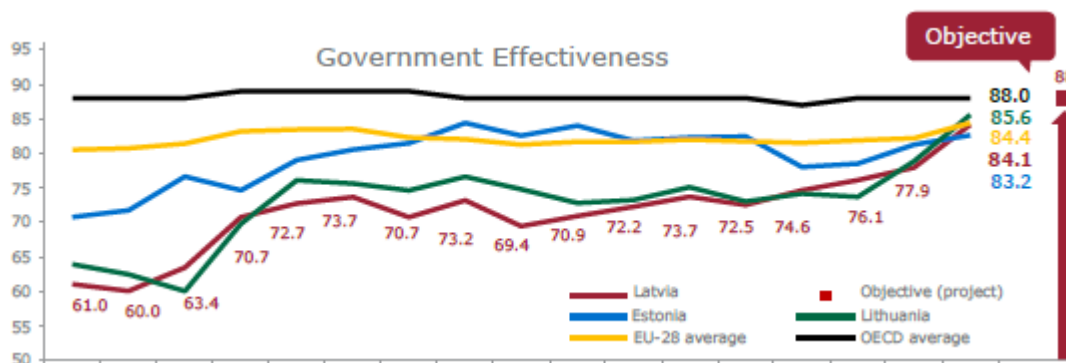
Efficient, responsible and flexible public administration

Sub-objectives of the Plan

1. The satisfaction of the public with the performance of public administration increases. Reputation of public administration improves. Public administration gradually becomes an attractive employer by promoting competition for positions within public administration.
2. Number of positions at the State budget institutions (excluding for independent institutions) does not increase or continues to diminish in comparison with the total number of positions in Latvia. The number of persons employed in the public administration in relation to the total number of employed persons in the State does not exceed the average European Union indicator.
3. The competitiveness and productivity of the public administration employees increases, moving towards a performance-based remuneration policy and approaching the objective: in public administration the level of the remuneration is 80 % of the amount of the remuneration for work in similar positions in the private sector.

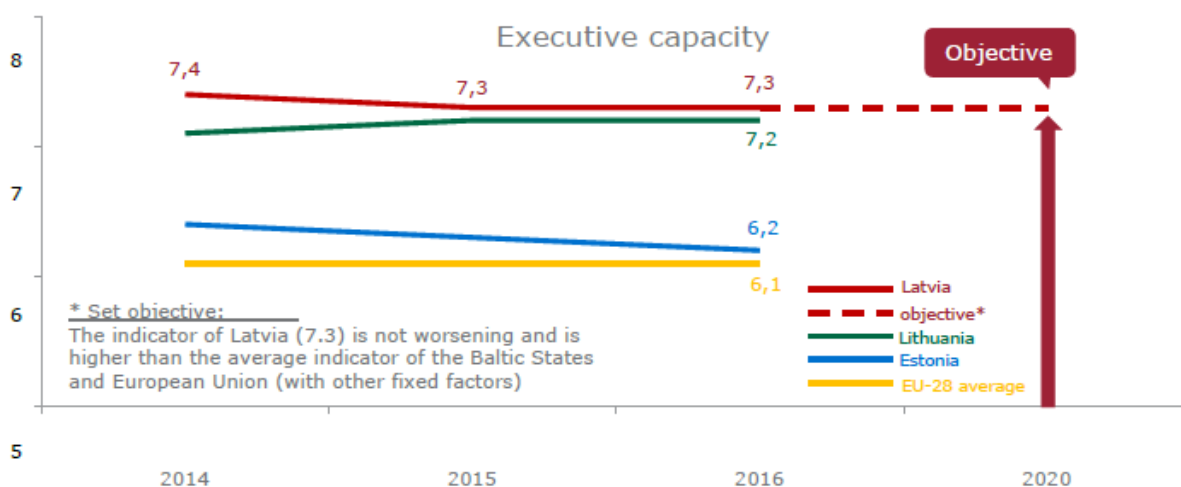
Policy Results and Result Indicators

1. Within the Worldwide Governance Indicator of the World Bank, the government effectiveness indicator rises up from 84 percentage points to the average indicator of the Organisation for Economic Co-operation and Development – 88 percentage points (if other factors stay unchanged)¹¹



Source. The indicator “Government Effectiveness” of the Worldwide Governance Indicator of the World Bank: <http://info.worldbank.org/governance/wgi/index.aspx#home>

2. The executive capacity indicator 7.3 of the Sustainable Governance Indicators of Bertelsmann Stiftung is not worsening and is higher than the average indicator of the Baltic States and European Union (if other factors stay unchanged)¹²



Source. Indicator “Executive Capacity” of the Sustainable Governance Indicators of Bertelsmann Stiftung: <http://www.sgi-network.org/2016/>

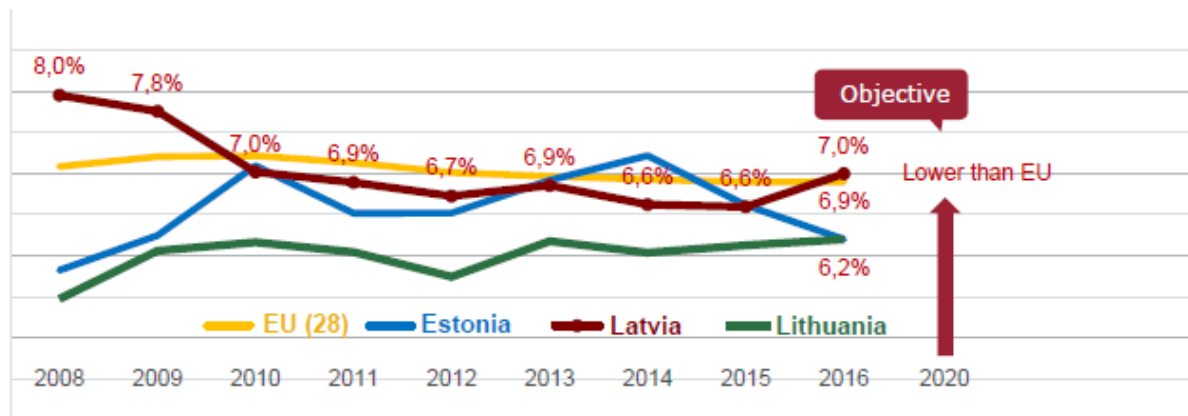
¹¹ Indicator is based on complex perception studies carried out by international institutions and non-governmental institutions and expert opinions, evaluating in the case of Latvia 9 resources. Additional information – The Worldwide Governance Indicators <http://info.worldbank.org/governance/wgi/index.aspx#home>

¹² Index is based on the evaluation of Bertelsmann Stiftung and Latvian experts. Additional information – Sustainable Governance Indicators <http://www.sgi-network.org/2016/>

3. Share of the public administration employees does not exceed the average European Union indicator

Share of the public administration employees*, % against the total number of employees

*NACE Rev. 2 classification, section O: Public administration and defence; compulsory social security



Source. Eurostat: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsa_egan2&lang=en

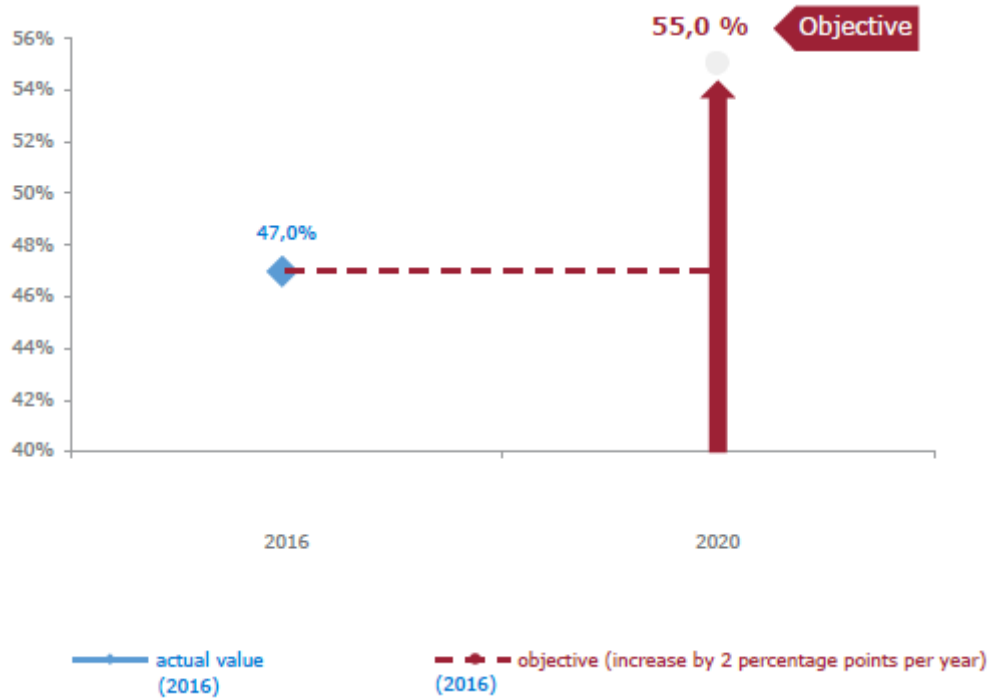
4. The gap between the amount of remuneration of public administration employees and persons employed in private sector for the performance of a work in similar positions is decreasing (gradual increase)



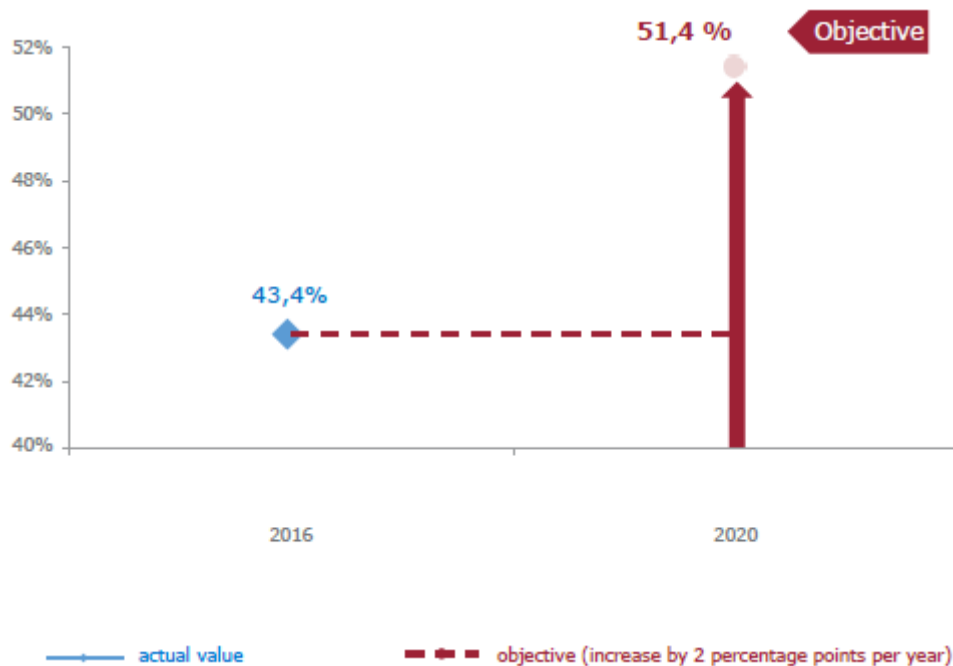
Source. "Salīdzinošais pētījums par atalgojuma apmēru" [Comparative study on the amount of remuneration], 2016: http://www.mk.gov.lv/sites/default/files/editor/salidzinosaurs_petijums_par_atalgojuma_apmeru_2016.pdf (in Latvian)

5. The satisfaction of the public with the work of public administration and services provided thereby is increasing by 2 percentage points per year (in 2016 47 % believed that the public administration is fulfilling its obligations in good faith, and 43.4 % stated that the services are being improved and simplified)

Share of the citizens who believe that the public administration is fulfilling its obligations in good faith



Share of the citizens who state that the services are being improved and simplified



Source. Public administration customer satisfaction survey, November 2016: http://mk.gov.lv/sites/default/files/attachments/atskaite_petijuma_zinojums_vk_112016.pdf (in Latvian)

Measures for Achieving the Objectives

| No. | Measure | Result of activities | Result indicator ¹³ | Responsible institution | Co-responsible institutions | Term of execution |
|-----|---|---|--|---|---|---------------------|
| 1. | <p>To improve the performance management system</p> <p>The objective of the reform is to strengthen the accountability of the public administration employees for increasing the work effectiveness and achieving the results by introducing the key performance indicators for senior managers and raising awareness of the results to be achieved. Introduction of the key performance indicators (KPI) is a point of reference for the systematic evaluation of development needs, rather than for the bonus and punishment system. KPI is a support and learning tool that shows how effectively the institution, as a team, reaches the targets set. In order to gain an understanding of how could the KPI be effectively introduced for senior managers within the whole public administration, a pilot project will be implemented within the framework of the Programme for the Development of Senior-Level Managers.¹⁴ A total of not more than 5 essential indicators that are related with the functions and tasks determined for the heads of the institutions of public administration and that are arising from the applicable laws will be defined. Furthermore, the key performance indicators must focus on the measurement of results, rather than the process. In addition to the number of draft legislative proposals submitted on time, it is necessary to assess whether there have been any specific positive changes in the corresponding field, for example, the number of forms to be completed or the time which the public and entrepreneurs must spend when receiving public administration services has decreased, or a new type of system has been introduced which saves the national budget resources.</p> | | | | | |
| | <p>1.1. To implement a pilot project on the definition of the key performance indicators for the state secretaries within the Programme for the Development of Senior-Level Managers by agreeing in a joint discussion on the indicators to be measured, for example,</p> <ul style="list-style-type: none"> • timely performance of the tasks given by the decision-making and executive authority; • economy of resources (time, people, money) at the expense of effectiveness | <p>Within the pilot project, key performance indicators have been developed, proposals for the introduction of the system for the management of senior manager performance within all institutions of public administration (ministries, subordinate institutions) have been prepared</p> | <p>(1) 1 pilot project (2) Methodology for the introduction of the senior manager performance management</p> | <p>State Chancellery (hereinafter – SC)</p> | <p>All ministries, Cross-Sectoral Cooperation Centre of the Republic of Latvia (hereinafter – CSCC)</p> | <p>30 June 2018</p> |

¹³ Within the context of the Public Administration Reform Plan, the term “informative report” is used as the term “informative statement” in the Cabinet Regulation No. 300 of 7 April 2009, Rules of Procedures of the Cabinet of Ministers. In the Plan, the term “report” is used to refer to a document the form, content and advancement, including informing of the stakeholders, of which is determined by the responsible institution to achieve the objective provided for in the Plan.

¹⁴ Programme for the Development of Senior-Level Managers. See: <http://www.mk.gov.lv/lv/content/augstakalimena-vaditaju-attistibas-programma> (available in Latvian)

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| | <p>and productivity;</p> <ul style="list-style-type: none"> • employee engagement; • satisfaction of customers/target groups. <p>One specific key performance indicator – a result to be achieved defined by a higher official (minister, Prime Minister) which has been determined by taking into account the objectives for the overall development of the State that are provided in hierarchically higher national development planning documents (for example, in the National Development Plan of Latvia for 2014–2020)</p> | | | | | |
| | 1.2. To perform the ex-post impact assessment of the performance assessment system | Proposals on the improvement of the regulatory framework and more effective performance management, including the competency dictionary, have been developed and submitted to the Cabinet | 1 informative report (ex-post assessment) ¹⁵ | SC | All institutions of direct public administration | 1 July 2018 |
| | 1.3. To improve the performance assessment system, including to introduce a performance management system of senior manager performance in all institutions of direct public | Amendments to laws and regulations have been developed and submitted to the Cabinet ¹⁶ , a system has been introduced, including an ICT solution, the target audience has been | An improved system for the measurement of all heads of institutions of direct public administration is introduced | SC | All institutions of direct public administration | 1 September 2019 |

¹⁵ In accordance with Paragraph 6 of the Cabinet Order No. 495 of 31 August 2016, Regarding the Conceptual Report “Introduction of the Ex-post Impact Assessment”.

¹⁶ Cabinet Regulation No. 494 of 10 July 2012, Regulations Regarding the Performance Appraisal of the Employees in the Direct Public Administration Institutions.

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| administration which rely on the measurement of key performance indicators | informed and the explanatory work has been carried out in 156 institutions of the direct public administration | | | | |
| <p>2. To ensure the reduction and supervision of the number of public administration employees</p> <p>The objective of the reform is to ensure the reduction of the number of persons employed (workloads of a position) in the institutions of direct public administration on which the Cabinet has a direct influence (by approximately 6 % or 3000 workloads of a position within three years, approximately 2 % per year) to achieve the average European Union indicator and not to exceed it in future. Considering the past experience that any attempts to reduce the number of employees in public administration are being reasoned as absolutely impossible, the number of workloads of positions to be reduced in each department must be determined centrally by taking into account both the current share of vacancies and the overall size of the department. Guidelines for the reduction of the number of employees in the department shall be developed by the State Chancellery in cooperation with the sectoral ministry by taking into account such criteria as, for example, planned terminations, classification of positions, centralisation of support functions, voluntary reduction. In the drawing up of guidelines, the regional aspect will also be evaluated so that the reduction of the employment would affect not only the territorial structural units of the institution. At the same time the guidelines will take into account the reduction in the number of employees achieved since 2015 and shall not extend it to the National Armed Forces¹⁷ and soldiers, employees of the State security institutions and Corruption Prevention and Combating Bureau, positions in the foreign structural units of the diplomatic and consular service, and fixed-term positions for securing investments of foreign financial instruments, including the European Structural and Investment Funds (thus the total number of employees which is subject to reduction is approximately 50 000). It is possible that, when creating the aforementioned proposal, the reduction in some institutions will be lower than in others, taking into account the planned development of a specific field and other considerations. The reduction in the number of employees may be reached both at one time and gradually within several years, but the ceiling of the objective determined for each year must be complied with so that the reduction could not be avoided by hoping that the attitude of the government will change. After reduction of the number of employees the means saved will be left at the disposal of institutions, and it will be a prerequisite to increase the remuneration, thereby providing a possibility for the managers to attract high level experts to their teams.</p> | | | | | |
| 2.1. Upon the performance of the evaluation of the annual State budget expenditure, to ensure the reduction of the number of long-term vacancies ¹⁸ in the institutions of direct public administration | The number of long-term vacancies has been reduced in the departments (objective – the number of long-term vacancies does not exceed 5 % of the number of positions) | Decision of the Cabinet on the reduction of the number of vacancies | SC | The Ministry of Finance (hereinafter – MoF), all institutions of direct public administration | 31 July 2018 |
| 2.2. To supervise the freezing of new positions in | Requests for new positions submitted to the | Statements on the requests for new positions | SC | MoF, all ministries, CSCC | 30 December 2020 |

¹⁷ The Ministry of Defence is responsible for the implementation of the Measure 4.1 within the National Armed Forces.

¹⁸ Long-term vacancy – a position which in accordance with the list of positions of an institution has not been filled for more than 6 consecutive months. The share of long-term vacancies is calculated from the number of positions that has been determined at 31 December of the previous calendar year. The time period is being counted from the day 12 months prior to the date on which the vacancy has been created. Those positions in which a person is on a continuing absence (for example, parental leave, studies, etc., and who is indicated in the recording system of the officials (employees) of the State and local government institutions as being absent) are excluded.

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| | accordance with the Cabinet decision of 28 August 2017 (protocol No. 41, 1.§, Paragraph 42) | Cabinet have been analysed, including by evaluating whether all possibilities to restructure the positions within the department have been used | submitted to the Cabinet | | | |
| | 2.3. With the involvement of all ministries, to develop common guidelines for the reduction of the number of employees in the institutions of direct public administration, including by determining for each of the 14 departments the target indicators for the number of positions to be achieved until 1 December 2018 in accordance with a common methodology | (1) A common methodology for the reduction of the number of employees has been developed, leaving enough flexibility for the heads of the department institution (2) A comprehensive analysis of the functions and institutional system of the institutions in which officials with special service ranks are employed has been conducted, and structural changes have been made, creating rational and effective functions and institutional system of public administration (3) In the development of a financing model of vocational education, proposals on the planning of the optimal number of employees have been prepared | (1) Guidelines for the reduction in the number of employees in the departments (2) Analysis of those institutions in which officials with special service ranks are employed (3) The necessary structural changes have been implemented in institutions in which officials with special service ranks are employed (4) Draft financing model of vocational education | (1) SC (2) Ministry of the Interior (hereinafter – MoI) (3) MoI (4) The Ministry of Education and Science | (1) MoF (2) Ministry of Justice (hereinafter – MoJ) (3) MoJ (4) Ministry of Culture | (1) 1 March 2018 (2) 31 December 2018 (3) 31 December 2020 (4) 1 May 2018 |
| | 2.4. To inform the society about the reduction of the number of employees in the direct public administration on regular basis | The number of employees is regularly supervised within the direct public administration | Annual report on the number of employees in the direct public administration | SC | MoF, all ministries, CSCC | 1 March 2019 1 March 2020 |
| 3. To revise the remuneration policy for persons employed in the State and local government institutions | | | | | | |

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| | <p>The objective of the reform is to gradually introduce a performance-based remuneration policy and to increase the level of remuneration to up to 80 % of the remuneration for work in similar positions in the private sector to raise the competitiveness and productivity of the public administration. To improve the remuneration system, the variable part (supplements and bonuses) of the remuneration for work must be revised by reducing the number and amount thereof and at the same time ensuring flexible tools to the heads of institutions, for example, separate sections of the outplacement. It must be recognised that the remuneration may be reviewed only within the framework of the existing budgetary resources. Part of the financing that is necessary for the implementation of the reform will be obtained by delivering the reduction of the number of employees proposed in this Plan (see Measure 2) and also by introducing a mandatory annual effectiveness saving (see Measure 5). The fact that historically significant differences between the remuneration funds of institutions have developed, thereby creating the division into “rich” and “poor” institutions, cannot be ignored. In order to close the gap between institutions and remuneration of persons employed in similar positions, measures must be implemented for the equalisation of remuneration for work in public administration. The <i>Saeima</i> and the Cabinet will probably have to take additional decisions to eliminate the negative consequences identified as a result of the implementation of policy (for example, the situation in one or more departments has become significantly worse in comparison with the average results), by analysing at the same time whether all efforts have been put in the respective department to improve the effectiveness. In such situation the personal accountability of the heads of institutions falling within the department and the decisions they have taken or have not taken regarding the resulting situation will also be evaluated.</p> | | | | | |
| | <p>3.1. To prepare and submit to the Cabinet a draft law on the remuneration of the officials and employees of the State and local government institutions</p> | <p>A proposal on ensuring a competitive remuneration for work in the public administration has been developed, including ensuring the involvement and informing of institutions, and submitted to the <i>Saeima</i></p> | <p>1 draft law¹⁹</p> | <p>SC</p> | <p>MoF</p> | <p>1 December 2017</p> |
| | <p>3.2. Evaluate the possibility to introduce the outplacement in the public service</p> | <p>Flexibility has been ensured to the heads of institutions for the formation of the staff, and proposals have been submitted to the <i>Saeima</i></p> | <p>1 draft law²⁰</p> | <p>SC</p> | <p>MoF, all ministries</p> | <p>1 December 2017</p> |
| | <p>3.3. To monitor the remuneration system</p> | <p>An assessment of the situation regarding both the amount of remuneration for similar positions in the private sector and the impact of the amendments has been performed, including evaluation of the amount of remuneration in different institutions</p> | <p>(1) Annual analysis of the amount of remuneration in the State direct administration institutions (2) 1 report on the amount of remuneration for similar positions in the private and public sector</p> | <p>SC</p> | <p>MoF</p> | <p>(1) 1 June 2018 1 June 2019 1 June 2020 (2) 1 June 2019</p> |
| <p>4.</p> | <p>To centralise support functions by evaluating possibilities for merging related functions, and also the efficiency of the operation of small institutions</p> <p>The objective of the reform is to ensure provision of cheaper and more professional services. At first the process measurements and standardisation must be performed, giving up the unnecessary actions. On the basis of measurements, a decision must be taken on the most economic model for the provision of services, forming unified service centres within the whole public administration or at least one department or</p> | | | | | |

¹⁹ Law on Remuneration of Officials and Employees of State and Local Government Authorities.

²⁰ Law on Remuneration of Officials and Employees of State and Local Government Authorities.

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| | outsourcing them, if it is significantly cheaper than the implementation of the relevant function within the public administration. The merging of support functions is widespread not only in the business environment, but also in the public administration of other countries (including Estonia, Finland, United Kingdom, Sweden, Denmark) as it provides better quality services and reduces expenditure. In addition the operational audit of small and very small institutions must also be conducted to ensure the most effective institutional management model. The reduction of the number of institutions does not always ensure significant resource savings, but undoubtedly simplifies the administrative management of the department and makes it more understandable for the public. | | | | |
| 4.1. To annually perform measurement of the public administration support functions and to develop a proposal for the merging of functions based on the evaluation of quality and productivity benefits | An annual report on further actions for the merging of functions within the unified service centres of departments or whole public administration has been developed or a common productivity criteria to be reached has been determined | (1) Report on the functions of salary accounting, human resources management and procurement in 2017 (2) Annual report on the analysis of support functions | SC | All ministries, CSCC | 28 December 2017 |
| 4.2. On the basis of the results of audits of the State Audit Office and also on the results of function audits conducted in previous years, to ensure increasing of the efficiency of very small and small institutions and merging of related institutions and functions. Head of each department is primarily responsible for implementation of this task. | Support has been provided by implementing recommendations of the State Audit Office that are related to more rational use of resources and knowledge within the fulfilment of the functions and tasks of public administration institutions | Report on the institutional changes made | SC | All ministries | 30 December 2018 |
| 4.3. Evaluate the processes for the maintenance of the public administration information system | An evaluation and proposals have been drawn up | 1 informative report | Ministry of Environmental Protection and Regional Development (hereinafter – MoEPRD) | All ministries, SC, CSCC | 30 December 2018 |
| 4.4. Evaluate the potential for merging of | An evaluation and proposals have been drawn up | 1 informative report | MoEPRD (State Regional | MoF, SC | 30 December 2018 |

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| | procurement functions and centralisation of procurement support functions, and to propose the possible convenient solutions for centralisation | | | Development Agency) | | |
| 5. | To regularly review the expenditure in institutions financed from the State budget | | | | | |
| | The objective of the reform is to improve the system for the continuous revision of the planned expenditure at the expense of the effectiveness and increasing the productivity of the activities of institutions. The revision of the State budget expenditure ensures the assessment of the effectiveness of the use of public funding and facilitates the achievement of the expected results. During the evaluation, the best practice is established at different institutions that can be disseminated and the takeover of which can be facilitated in public administration institutions. Likewise valuable proposals for the organisation of different processes and systems are being received from the representatives of institutions, collected and analysed within the process, thereby facilitating the resource economy and increasing productivity of work. Thus the reduction of the internal burden is facilitated within the public administration by giving up unnecessary actions and processes. The institution will be able to direct the resources saved upon revision of the budget or a part thereof that corresponds to the performed assessment towards increasing the remuneration for persons employed in the department, or the funding of new initiatives or pilot projects. | | | | | |
| | 5.1. To perform an annual analysis of expenditure within the framework of the State budget review | Annual report for the Cabinet has been drawn up in which the results of the State budget expenditure review and tasks for institutions of public administration are indicated | Annual informative report | MoF | All ministries, CSCC | Within the time period specified in the schedule for developing and submitting the Draft Medium Term Budget Framework Law and the Draft Annual State Budget Law |
| | 5.2. To supplement the visualisation of the State budget data with new tools by providing more extensive information on the influence of the budget income and expenditure on each citizen | Informative tools have been developed and published, for example, a possibility to measure the influence of personal choices on the shadow economy based on real-life situations, and to find out the amount of the support and services provided by the State | Tools to raise public awareness of the State budget formation and expenditure for the achievement of specific policy goals have been developed | MoF | All ministries, SC, CSCC | 30 December 2018 |
| | 5.3. It is essential to simplify the regulatory framework in the area of the State budget policy. | Amendments to the regulatory framework have been drafted and submitted to the Cabinet | Amendments to the regulatory framework have been developed | MoF | | 1 June 2018 |

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| including by performing a comprehensive optimisation of processes and further improvement of the State budget management | | | | | |
| <p>6. Introduce the task force approach for government's priorities</p> <p>The objective of the reform is to create a new approach in order to prepare proposals on horizontal, complex and priority changes and to develop an action plan for their implementation and application of a modern approach. Task forces would consist of experts from the public administration and, if necessary, also from the academic, non-governmental and private sector who would primarily work only on the development of the specified reform. Thereby, the proposals on essential national development issues would be prepared and the result would be achieved much sooner, the proposal would be approved by all stakeholders and the quality would increase as the persons involved in the task force would be able to pay full attention to the specific issue. The Prime Minister shall decide on the creation, objective and duration of activities of a special task force in accordance with the priorities provided in the government Declaration and Action Plan.</p> | | | | | |
| 6.1. Develop and test a mechanism for the operation of task forces: how the involved experts would be dismissed from the performance of direct duties if such is necessary, and which financing model should be applied to the remuneration of the work of experts. | (1) A task force pilot project on the development of a priority reform for government and preparation of an introduction plan has been implemented, improving the effectiveness of the relevant policy and speediness of reaching results (2) Proposals for a further operational framework of the task force have been developed, including for the provision of funding and adaptation of laws and regulations (3) The task force approach has been used in the preparation of priority reforms of the government | 2 solutions based on the task force approach are implemented in 2017 | SC (Latvian School of Public Administration (hereinafter – LSPA)) | Other ministries and institutions involved in addressing the issue | (1) 30 December 2017 (2) 1 June 2018 (3) 30 December 2020 |
| 6.2. To create a group of change management experts that would provide support to ministries for the implementation of | (1) A group of experts has been educated on the analysis and simplification of processes (2) Change | (1) At least 20 change managers (2) Annually at least 1 joint project is implemented | (1) SC (LSPA) (2) All ministries, SC, CSCC (3) All ministries, SC, CSCC | (1) All ministries, CSCC | (1) 1 July 2018 (2) 30 December 2018 (3) 30 December 2018 |

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| | projects on good governance, effectiveness, improvement of services, innovation and changes | management projects have been implemented in departments | within the public administration (3) Projects annually implemented in the departments | | | |
| 7. | To increase the value of public administration services | | | | | |
| | The objective of the reform is to increase the effectiveness and efficiency of the provision of public services by reducing costs for public administration and administrative burden on citizens and entrepreneurs. In order to ensure public services that are available to the public and entrepreneurs and increase their quality, the forms in which the services are provided (place, time, type) and also the effectiveness of business processes, including the possibilities for their transformation in digital form, must be accurately evaluated. The methodology will allow to identify the basic business processes and their transformation possibilities, primarily from the perspective of the public and entrepreneurs. At the same time the cooperation between institutions must be improved to address such situations of the public and entrepreneurs where the involvement of several institutions is necessary. This experience will be passed on to the public administration employees in the form of a training. | | | | | |
| | 7.1. To develop methodology for the identification of the basic processes of service provision and determination of the transformation possibilities from the perspective of the needs of citizens and entrepreneurs, and to implement pilot projects for the verification of the methodology in practice | (1) Methodology for increasing the effectiveness and value of the services provided by the public administration has been developed (2) Five pilot projects have been implemented for the transformation of such direct public administration services which are characterised by different levels of complexity and integrity, service providers and receivers, detailed analysis of the context of use of the respective services from the perspective of the end-user and an accordingly replanned service process | (1) 1 methodology (2) 5 transformation plans for the services provided by the direct public administration institutions in the field of business, employment and social security protection | MoEPRD | Other institutions involved in projects | (1) 30 December 2019 (2) 30 December 2020 |
| | 7.2. To develop and implement a training module on | After the methodology for increasing the | (1) 1 training module (2) At least 200– | LSPA | MoEPRD, SC, all ministries, | 30 December 2020 ²¹ |

²¹ Provided that the methodology for increasing the effectiveness and value of the services provided by public administration is approved.

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| | the creation of the public administration services and their transformation in accordance with the customers' needs, grouping of the services according to real-life situations and effective organisation of the system of public services | effectiveness and value of the services provided by the public administration is approved, the learning module for the public administration employees is created and the training course is started | 250 public administration employees the duties of office of which are related to the provision of national services have been trained | | CSCC | |
| | 7.3. To evaluate the structure for the provision of public services and potential for diverting the customer servicing flows to more cost-effective channels – electronic (self-service) channel or the State and local government unified customer service centres | An evaluation and proposals have been drawn up | 1 report | MoEPRD | All ministries, CSCC | 30 December 2019 |
| 8. | <p>To move towards the zero bureaucracy by developing a better regulation policy and strengthening the efficiency and effectiveness audits</p> <p>The objective of the measure is to reduce normativism and administrative burden within the public administration by focusing on the development of such policy and conducting of such audits in which the effectiveness and efficiency is being evaluated, the unnecessary processes and regulations are eliminated, and the costs are reduced. Better regulation policy is the development of such policy and regulation which supports principles “regulating as little as possible” and “interfere only where it is necessary”, involves the public and listens to its opinions thereby facilitating a transparent and evidence-based decision-taking process. In Europe part of this process covers the initiative which is related with the objective to reach the zero bureaucracy. In order to identify the nonsense of bureaucracy which the public and entrepreneurs are currently facing, it is proposed to regularly conduct the survey “Let’s reduce administrative burden together!” in specific areas through the use of the website mazaksslogs.gov.lv. For addressing the problems, it is proposed to create a task force “zero bureaucracy” that would be able to find efficient solutions, rather than transfer questions from one institution to another. For its part, in order to reduce the internal burden of the public administration, surveying of institutions must be continued to identify problems for the reduction of different administrative procedures and frequency of the provision of reports. In the reduction of the administrative burden, an important role is also played by the heads of institutions and internal audit as a support function. By implementing the horizontal audits and transitioning from the compliance audits to effectiveness evaluation audits, common problems, necessary solutions and best practice is identified to improve the processes of institution’s activities, find opportunities for improving the effectiveness and economy. Measures of the action direction are additional tools at the disposal of the head of institution to find improvements in the administrative work of the institution and possibilities of budgetary savings for the implementation of priority tasks.</p> | | | | | |
| | 8.1. To conduct the regular survey “Let’s reduce administrative burden together!” by purposefully focusing on one area and proposing | (1) A public survey has been conducted, problems have been identified and solutions for the elimination of problems have | 1 survey per year (separately for the public and public administration employees) | SC | Institutions involved in the zero bureaucracy task force, public administration employees | 1 June 2018 |

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| | solution for the introduction of the zero bureaucracy | been offered (2) The persons employed in the public administration have been surveyed by involving them in the prevention of the administrative burden | | | | |
| | 8.2. To regularly assess the system for the provision of activity reports of institutions, and prepare proposals for the simplification of administrative procedures and reduction of the frequency of the provision of reports | A report has been prepared and submitted to the Cabinet which contains proposals for the reduction of the administrative burden, including for the frequency of reporting and provision of reports, budget management process, informative reports to be submitted to the Cabinet | 2 informative reports | SC | All ministries, CSCC | 31 December 2017 1 July 2020 |
| | 8.3. To develop measures for the introduction of a better regulation policy in Latvia and simultaneously set an objective of the zero bureaucracy | The conceptual report "Labāka regulējuma politika Latvijā" [A Better Regulation Policy in Latvia] has been drawn up and submitted to the Cabinet, and every year the work done in one activity area is evaluated by paying a particular attention to the reduction of normativism | 1 conceptual report | SC, MoE | All institutions of direct public administration | 1 October 2019 |
| | 8.4. To strengthen the internal auditing processes in order to foster the development of an efficient management | (1) The share of the effectiveness audits has increased, thereby facilitating orientation of the activities of institutions towards effectiveness (2) The situation | (1) The share of internal audits (%) in which any of the effectiveness aspects are evaluated is increasing each year (2) The number of recommendations | MoF | Ministries and institutions in which internal audit units have been created | (1) 30 December 2020 (2) 30 December 2020 (3) 30 December 2018 |

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| | | regarding the interdepartmental cooperation within the area of internal audits has been understood, and the conducting of interdepartmental audits has begun | provided as a result of audits that are focused on increasing the effectiveness of the activities of institution, including reduction of the administrative burden (increase in the share, %), rather than the compliance of processes (3) Methodology (guidelines) has been prepared for conducting internal interdepartmental audits | | | |
| 9. | <p>To ensure management of strategic communication and centralised management of horizontal campaigns on government's priorities and reforms</p> <p>The objective of the reform is to explain to the public in timely manner the changes that are planned and their influence on the everyday life of the nationals of Latvia, to ensure a coordinated, unified and mutually complementary provision of information and reception of feedback. One of the steps is the creation of a uniform platform for websites of the institutions of public administration by improving the citizen-focused communication of the public administration, including the structure and functionality of websites based on common basic principles, environment and navigation familiar to users, that will ease the access to the publicly created information and facilitate participation of the public. At the same time access to websites will also be ensured, including for people with disabilities, through the implementation of the requirements of the European Union framework (Directive No. 2016/2102) for the accessibility of the websites and mobile applications of the bodies of public sector. Local governments will also be able to use the created elements of the platform's architecture for their own needs as a shared solution thereby increasing the significance of the uniform website platform in the State. Essential precondition for ensuring successful external communication between the public administration and the public is also the purposeful management of communication between the institutions of public administration and employed persons. Common understanding of the priority action directions of the government, implementation of reforms, best practice and experience stories, and also introduction of common public administration values is fundamental to successfully implement the public administration reforms.</p> | | | | | |
| | 9.1. To create the national strategic communication system through the use of the existing public administration resources | Uniform national strategic communication system has been developed and introduced | The national strategic communication system has been created | SC | All ministries, CSCC | 30 June 2018 |
| | 9.2. To implement a coordinated communication of the government and integrated communication campaigns on government's priorities and reforms, including on the good service movement within | Integrated communication campaigns on government's priorities have been implemented | At least 5 communication campaigns have been implemented within 3 years | SC | All ministries, CSCC | 30 December 2020 |

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| public administration, the centenary of the State of Latvia and other important national activities | | | | | |
| 9.3. Project on the creation of informative websites for public institutions and their hosting on the uniform platform ²² | A uniform platform with one content management system has been created and is further maintained, and it will be used to manage the content and security of the websites of public institutions that are hosted on the platform | (1) Uniform platform for website has been created (2) At least 40 informative websites of public institutions have been crated on the basis of the uniform platform (3) Prerequisites for long-term use of the platform have been created so that websites of all institutions of public administration could be transferred thereto, and such possibility has also been offered to local governments | SC, State Regional Development Agency | All ministries, CSCC, subordinate institutions | 30 December 2020 |
| 10. Develop the competencies that will be necessary in the future of the public administration employees | | | | | |
| <p>The objective of the reform is to strengthen the professionalism and capacity to adapt to challenges of the changing environment of the public administration employees, and also to incorporate common values and ethical practices among the public administration employees. Considering the shrinking of highly qualified workforce, ageing of workforce, entry of the new generation in the labour market, and also the development of information and communication technologies, the demand for the skills and knowledge that an employee must possess is changing. In order to successfully adapt to changes in the labour market and increasingly swift changes in the surrounding environment, it is important to strengthen the capacity of the public administration employees, and also to develop and improve those competencies which will be critically needed in the future, including professional development of the public administration employees for the support of small and medium sized entrepreneurs, corruption prevention and reduction of shadow economy. Modular learning cycles will provide a possibility for the employed persons to develop themselves and grow by concentrating on the talent management and future leaders. Heads of institutions and their deputies have a significant role in increasing the effectiveness of public administration, therefore, within the Programme for the Development of Senior-Level Managers, the professional development measures must be continued with an aim to strengthen the managers-leaders, facilitate cooperation, innovations and excellence in public administration.</p> | | | | | |
| 10.1. To agree on the competencies of the public administration employees to be developed in the | Competencies to be developed in the future and basic values for the promotion of affiliation and | (1) competency matrix in conjunction with the talent management | A (1) SC (LSPA) (2) SC (LSPA) | (1) All ministries, CSCC | (1) 1 June 2018 (2) 31 December 2018 |

²² The project “Uniform Platform for Websites of the State and Local Government Institutions” of the Measure 2.2.1.1 “Creation of centralised ICT platforms for public administration, optimisation and development of public administration processes” of the operational programme Growth and Employment.

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| | future, and an approach for promoting affiliation and loyalty within the public administration | loyalty have been defined in cooperation with LSPA and institutions | approach has been developed (2) A communication plan for the incorporation of values and competencies has been developed | | | |
| | 10.2. To ensure the creation of modular learning cycles | Modular learning cycles that are focusing on the competencies to be developed in the future, talent management and development of medium level managers have been created | The number of modular learning cycles corresponds to the number of defined competencies to be developed in the future | SC (LSPA) | | 1 June 2018 |
| | 10.3. To facilitate the transfer of knowledge of public administration, and also the takeover of the best practice and experience by developing and using the approach of internal coaches and mentors for the development of future competences | Information and the best practice examples regarding the knowledge transfer, development of internal coaches and mentor approach has been collected | Pilot measures within the framework of separate modular learning cycles | LSPA | | 1 September 2018 |
| | 10.4. In cooperation with higher education institutions, to facilitate the development of the competencies necessary for the public administration within the framework of educational programmes, including to develop cooperation with students, and also to promote the development of research works on issues that are important for the public administration among students | A strategy for cooperation with higher education institutions has been created within which further measures are determined | 1 cooperation strategy | LSPA | | 1 June 2018 |

Monitoring of the Implementation of the Public Administration Reform Plan

The State Chancellery – the institution responsible for coordinating the implementation of the Public Administration Reform Plan – shall regularly follow up the implementation of the ten reforms included therein. The execution of the Plan shall also be regularly discussed with the responsible committees of the *Saeima* and the stakeholders, ensuring that opinions of both the legislator and executive authority, and the experts from the private and non-governmental sector, academics and independent organisations are heard. If proposals for a more effective progress of reforms will be provided within the course of executing the Public Administration Reform Plan, the Plan shall be improved. The final evaluation of the Public Administration Reform Plan and a new proposal for the future public administration reforms will be submitted to the Cabinet in 2020.



Valsts kanceleja