



**MAIN DEPARTMENT
FOR CIVIL SERVICE OF UKRAINE**

**PROFESSIONAL
CIVIL
SERVICE:**

**WHAT HAS BEEN DONE
AND WHAT IS TO BE DONE NEXT?**

**Report on activities in 2004:
major outcomes**



The society is expecting serious initiatives from the Government, which would guarantee rights and freedoms of a person and a citizen and respond to the new challenges Ukraine is facing at the current stage of its development.

Civil service should provide the Government with professional expertise and policy recommendations and citizens with quality services. These demands put forward new tasks and requirements for civil servants and the government machine.

Through joint efforts of the Main Department for Civil Service of Ukraine and key stakeholders -including government agencies, non-governmental and international organizations, educational and research institutions - strong political, legal and institutional foundation was developed to further promote systemic reforms in public administration and civil service.

Key conclusions, perspectives and next steps are presented in this activity report.

It is a public document disseminated in the professional community, among politicians, civil servants, journalists, researchers and public activities to involve all those who are eager to see Ukraine amongst the leaders in European and the world community, to welcome their contribution to policy-making in the field of civil service.

A handwritten signature in black ink, consisting of several fluid, overlapping strokes. The signature is positioned above a horizontal line that extends across the width of the signature.

T. Motrenko
*Head of the Main Department
for Civil Service of Ukraine*

TABLE OF CONTENTS

INTRODUCTION	5
I. FIRST STEPS – POLICY ANALYSIS AND PLANNING CIVIL SERVICE REFORMS	6
1. Definition of policy problems and priorities	6
2. Orientation at the European Union standards	8
3. Action plan and financing of reform in medium-term future	8
4. Support by international financial institutions	8
II. CHANGES IN CIVIL SERVICE LEGISLATION AS PREREQUISITE FOR SYSTEMIC TRANSFORMATION	10
III. INSTITUTION BUILDING AND A SYSTEM OF CIVIL SERVICE MANAGEMENT	12
1. Functional management system for the civil service.....	12
2. Strengthening intellectual potential for reform	14
3. Linkage with structural reforms	14
4. Institutional changes aimed at improving efficiency and effectiveness of government work	15
IV. OPENNESS AND TRANSPARENCY OF CIVIL SERVICE AS A BASIS FOR PREVENTING CORRUPTION	17
V. VISION OF THE FUTURE AND NEXT STEPS	19
1. New Civil Service Law	19
2. Establishing higher corps of civil service	19
3. Building a system of unified management for civil service	19
4. Functional reviews and improvement of public administration structure	19
5. Strengthening of intellectual and organizational potential for change.....	19
6. Quality management and ISO 9001:2001	19
7. The World Bank investment loan for civil service development and modernization	19

«With bad laws and good officials
it is quite possible to rule a country.
However, if officials are bad,
even the best laws
would not help».
Otto von Bismarck

INTRODUCTION

Citizens shall enjoy equal rights to access civil service (Article 38 of the Constitution of Ukraine). The basic principles of civil service are defined exclusively by the laws of Ukraine (Article 92 of the Constitution of Ukraine).

These basic principles were laid down with adoption of the Law of Ukraine «On Civil Service» dated 16 December 1993 #3723-XII that entered into force on January 1, 1994.

Carrying out a consistent government policy in the sphere of civil service and functional management of the civil service are mandated to the Main Department for Civil Service of Ukraine (MDCS) – central executive government agency with a special status that reports to the President of Ukraine (Decree of the President of Ukraine of October 2, 1999 #1272).

With the purpose of improving personnel capacity, creating renewed, powerful and efficient government bureau-

cracy, establishing professional, politically neutral and reputable civil service, the Strategy of Civil Service Reform in Ukraine was approved (Decree of the President of Ukraine of April 14, 2000 #599).

The Strategy of Civil Service Reform in Ukraine is implemented through activities annually approved by Decrees of the President of Ukraine.

On 26th of December 2003, the Cabinet of Ministers of Ukraine discussed the results of implementing the Strategy of Civil Service Reform in Ukraine during 2000 – 2003 and determined conceptual principles for further development of civil service. Those principles laid the foundation for adoption of the Concept of Adaptation of Ukraine's Civil Service to the Standards of the European Union, the 2005 – 2010 Civil Service Development Program, and the Concept of Civil Service Law.

I. FIRST STEPS – POLICY ANALYSIS AND PLANNING CIVIL SERVICE REFORMS

1. Definition of policy problems and priorities

In 2003, with the support of the World Bank and the UK Department for International Development (DFID), the assessment review of the Ukrainian civil service system was conducted according to OECD/SIGMA¹ baseline indicators applied for annual assessment of civil service in the candidate countries for the European Union accession:

1. Legal Status of Civil servants.
2. Legality; Responsibility and Accountability of Civil Servants.
3. Impartiality and Integrity of Civil Servants.
4. Efficiency in Management of Civil Servants and Control of Staffing.
5. Professionalism and Stability of Civil Servants.
6. Development of Civil Service Capacities in the Area of European Integration.

Conclusions and main recommendations of the assessment review report state that the main problem areas remain professionalism and stability, and political impartiality. Significant work in these areas should be done to create in Ukraine a civil service based on European values and principles.

On the basis of the assessment, the list of problems was drawn at the beginning of 2004:

1. The main systemic problem area is inadequate legal framework in the sphere of civil service.

In Ukrainian public administration system, there is no clear separation between political and administrative activities and functions. This results in:

- 1) high turnover of staff in the civil service;
- 2) dependence on political changes and political bias of civil servants, especially at senior executive level;
- 3) inconsistency and unpredictability in taking administrative decisions;
- 4) overburden of politicians with minor administrative issues.

Regulatory scope of civil service legislation is not clearly determined:

- 1) the Law of Ukraine «On Civil Service» applies to personnel performing auxiliary and support functions in government authorities;
- 2) some provisions of the Law actually apply to persons who do not have a status of civil servants (journalists, scientists, forensic experts, public notaries);
- 3) service in certain government bodies (diplomatic, tax, customs and border control service, service in bodies of interior affairs and headquarters of military units) only partially falls under the Law on Civil Service; it is regulated by separate laws that are not always in line with each other;
- 4) current job classification system is inadequate; there are no clear criteria of classifying jobs into categories, job classifications depend on the status and organizational structure of an individual agency rather than on job functions and responsibilities.

The current Law of Ukraine «On Civil Service» does not stipulate such key functions of civil servants as:

- 1) developing recommendations on public policy making and implementation;
- 2) providing services to individuals and legal entities.

There are no clearly framed legislative regulations of administrative procedures and professional ethics of civil servants in place that leads to:

- 1) significant difficulties for individuals and legal entities;
- 2) high risk of civil servants acting «at their own discretion» and cases of alleged corruption;
- 3) lack of exhaustive list of disciplinary violations and procedures for applying administrative sanctions to civil servants, or their pre-judicial appeal;
- 4) compliance with the Code of Ethics appears, in fact, not compulsory for civil servants. since there are no formal sanctions against unethical behavior.

2. The second major systemic issue is low institutional capacity of civil service that is the result of:

- 1) lack of effective alignment of government agencies' administrative structures and functions they perform;

¹ SIGMA (Support for Improvement in Governance and Management in Central and Eastern European Countries) is a joint initiative of the Center for Cooperation with Transitional Economies of OECD (Organization for Economic Cooperation and Development) and PHARE Program of the European Union to support administrative reform in Central and Eastern Europe.

- 2) lack of clearly established performance standards and procedures within each government agency;
- 3) lack of knowledge and skills in policy analysis, strategic planning, and change management;
- 4) lack of continuous training for civil servants, including on-the-job training, especially in development and implementation of public policies and management of policy-making process.

3. The third group of issues relate to low efficiency of personnel management in the civil service.

Regarding pay and remuneration system:

- 1) small share of base pay in the total salary structure limits transparency of remuneration system and makes it highly dependent on discretionary decisions of top managers;
- 2) significant interdepartmental and territorial discrepancies in salary levels lead to high personnel turnover in certain government agencies and regions and, respectively, to disproportion of high caliber professionals;
- 3) current system of pay increments for tenure in office discourages young people to enter the civil service and overly stimulates retaining people of pre-pension age;
- 4) remuneration system is not effectively linked to performance results.

In civil service management system:

(as of the beginning of 2004):

- 1) organizational and legal status of the Main Department for Civil Service of Ukraine as a central executive agency responsible for the civil service policy issues did not allow to establish an efficient system of functional management of civil service;
- 2) no formal MDCS network was in place to ensure proper management of civil service at the local level.

In the system of planning and performance appraisal:

Due to a lack of planning built on specific indicators of effective and efficient performance, the current system of annual performance appraisal of civil servants becomes meaningless. Performance appraisal is not linked to identification of civil servants' training needs, professional development and incentives.

In the system of appointment, promotion and rotation of personnel:

- 1) appointment to positions of top categories takes place in a non-transparent way and overly depends on political and subjective factors;

- 2) there are no clearly defined qualification requirements (competency profiles) for positions of civil servants;
- 3) independent commissions and/or assessment centers for selection of candidates to positions of civil servants do not exist;
- 4) there is no effective linkage between training and career advancement.

In the area of European integration:

- 1) there is no system in place that would ensure management of European integration process across all levels of government;
- 2) lack of specially trained experts in government agencies for issues of European integration;
- 3) there are no special «EU orientation» training programs for the entire civil service.

On 5 November 2003, at the International Center for Policy Studies (Kyiv, Ukraine), a round table took place where the issue of further development of civil service was for the first time proposed for a broad expert discussion. This round table was a starting point for the first public policy campaign in the field of civil service which lasted till the end of the year and finished on 26 December 2003 when the Cabinet of Ministers of Ukraine defined priority directions of government policy in the field of civil service:

- regulation of the legal status of civil service, in particular, on the basis of clear delimitation of political and administrative positions;
- improvement of the management system of civil service on the basis of strengthening the institutional capacity of authorized central executive agency for civil service, introduction of a unified system of planning, assessment and stimulation of civil servants' work, directing the system of training, retraining and refresher training of civil servants to ensure civil servants' mobility taking into account the needs for rotation, plans of career development;
- legislative regulation of administrative procedures taking into account the procedure and rules of government service delivery, introduction of a clear mechanism of responsibility of civil servants;
- institutional support of the European integration process through definition of contents and procedure of functioning of respective units at the central and local government agencies;
- appropriate remuneration of civil servants based on results of their performance appraisal and personal achievements.

The Cabinet of Ministers of Ukraine has assigned the Main Department for Civil Service to develop a medium

term Program of Civil Service Development. One of its tasks is to reform civil service legislation and ensure that the key functions of civil servants are public service delivery, development and implementation of government policies.

2. Orientation at the European Union standards

Organization of public administration and civil service systems in Ukraine is a component of its European integration.

Public administration and civil service standards are determined by administrative law principles that are common for all member-countries regardless of their specific features. In particular, they include:

- reliability and predictability;
- openness and transparency;
- responsibility;
- effectiveness and efficiency.

These principles are a basis for building institutions and implementation of efficient and democratic administrative procedures at all levels of public administration. Civil servants are legislatively obliged to adhere to these principles. Observance of such principles is ensured by independent control agencies, system of justice and comprehensive oversight by the parliament.

In line with approaches to organization of European administrative zone, modern professional civil service shall envisage the following:

- separation of state (public) and private spheres;
- delimitation of political and administrative activity;
- development of individual responsibility of civil servants through overcoming of former collective processes of decision making. This requires well-educated and skilled public administration managers;
- sufficient protection, stability, level of remuneration and clearly defined rights and responsibilities of civil servants;
- selection, appointment and career development based on assessment of merits and achievements.

Degree of adherence to such principles and criteria is defined through assessment of civil service through six above-mentioned indicators. These principles were laid down as a basis for the Concept of Adaptation of the Civil Service of Ukraine to Standards of European Union approved by the President of Ukraine.

Approval of the Concept of Adaptation of Civil Service of Ukraine to Standards of the European Union was preceded by series of broad discussions of its main provisions with professional community and main interest groups in regions of Ukraine. In particular, discussions took place at the regional institutes of public

«When we talk about adaptation of civil service to European Union standards, we have to understand that approximation to European administrative zone and copying of European standards is not an objective in itself. Our main objective is to achieve European quality of life of citizens of Ukraine. Civil service is only an instrument which shall be aimed at observance of citizens' rights and duties and ensuring the implementation of their lawful interests.»

*From presentation
of the Head of Main Department for Civil Service
at the Conference on simplification
and restructuring of administrative procedures
in the city of Athens
on 8-9 December 2003.*

administration of the National Academy of Public Administration under the President of Ukraine in cities of Dnipropetrovks, Kharkov, Lviv, Odesa on 20 – 22 November 2003. Concluding conference took place on November 26, 2003 in Kyiv.

3. Action plan and financing of reform in medium-term future

On the basis of the Concept of Adaptation of Civil Service of Ukraine to Standards of European Union, the Main Department for Civil Service has developed a Program of Development of the Civil Service for 2005-2010, which was approved by the Cabinet of Ministers of Ukraine on 8 June 2004.

The Program contains an action plan aimed at implementation of the main provisions of the Concept of Adaptation of the Civil Service in Ukraine to Standards of European Union, and envisages financing of its activities in the amount of UAH 457.2 million.

4. Support by international financial institutions

One of the priorities for adaptation of civil service to the EU standards is cooperation with donor countries and international financial organizations.

On February 17, 2004, a conference entitled «Development and Modernization of Civil Service as a component of Administrative Reform in Ukraine» was held jointly with the World Bank. Amongst its participants were representatives of the Cabinet of Ministers of Ukraine, donor countries and international organizations.

A Memorandum of Understanding between the Cabinet of Ministers of Ukraine and International Bank

for Reconstruction and Development on Cooperation in the Sphere of Civil Service and Administrative Reform was prepared at the Conference. It was signed on 27 May 2004.

The Memorandum acknowledges common understanding on the main issues and medium-term priorities in this sphere, among them, in particular:

- development of the system of administrative service delivery to persons and legal entities, introduction of new mechanisms of work planning and policy making;
- improvement of transparency in civil service and transition to recruitment/selection, career development and performance appraisal of civil servants on the basis of their personal merits and achievements through establishment of relevant legal framework compatible with practices of the European Union in this field;
- improvement of professional capacity of civil servants to develop and implement government policy;
- development of thorough system of management of civil service and management of personnel in government agencies at central and local levels;
- strengthening incentives for civil servants through transparent and efficient system of awards, efficient management of career development, professional development and social protection;
- improvement of technical support of civil servants and a system of management of civil service through equipment with modern technology and application of new information and communication technology;

- improvement of quality of executive activity and accountability of government agencies through better management at the institutional level.

The main priority in cooperation with the World Bank in 2005 is negotiations about a possibility of extending an investment loan to Ukraine for development and modernization of civil service started in 2004. The Main Department for Civil Service as it is authorized by the

«Nowadays, the World Bank supports reform of civil service through Programmatic Adjustment Loan. Depending on conditions and expedience of reform process, the World Bank may consider a possibility of issuing investment grants and investment loans aimed specifically at reform of the civil service of Ukraine. However, this depends on the Government, on how the Government will be capable of ensuring sustainability of this reform».

From presentation of the Director of the International Bank for Reconstruction and Development for Ukraine, Belarus and Moldova L. Barbone at the conference of representatives of the Cabinet of Ministers of Ukraine, donor countries and international organizations «Development and modernization of civil service as a component of administrative reform in Ukraine» on 17 February 2004.

Government to be responsible for fulfillment of the Memorandum, maintains continuous working consultations with the World Bank on that.

II. CHANGES IN CIVIL SERVICE LEGISLATION AS PREREQUISITE FOR SYSTEMIC TRANSFORMATION

On the basis of analysis of policy and strategic documents approved by the President of Ukraine and the Government, the Main Department for Civil Service initiated development of policy and legal framework for new legislation on civil service. The Cabinet of Ministers of Ukraine supported this initiative and included into plans of its activity the development of conceptual principles of civil service legislation with the aim of its adaptation to the EU standards (Resolution of the Cabinet of Ministers of Ukraine dated 11 March 2004 #315 «On summary of social and economic development of Ukraine in 2003 and progress in fulfillment of the Program of activity of the Cabinet of Ministers of Ukraine»).

The Main Department for Civil Service has developed a draft Decree of the President of Ukraine «On the Concept of Civil Service Law». On 21 October 2004, it was approved by the Coordination Council for Civil Service under the President of Ukraine. On 22 December 2004 it was approved by the Cabinet of Ministers of Ukraine and on 5 January 2005 by the President of Ukraine.

Decree on the Concept of Civil Service Law envisages development in 2005 of the new civil service law and other draft laws necessary for improvement of civil service in Ukraine on the basis of the Concept.

FACTOR OF SUCCESS OF REFORM – introduction of public policy principles and procedures

Previous difficulties in fulfillment of the administrative reform in Ukraine, to large extent, are explained by a failure to apply public policy principles and procedures and involve the society in the reform process. Reform was performed by centralized administrative methods and did not engage civil society and interest groups. In fact, reform ideas were aimed at openness and transparency but implemented in a non-engaging way.

For Ukraine, public policy making is not a common approach; civil society is still weak to take a fully-fledged part in the process of policy development. It is traditional to substitute policy analysis with scientific theories and put the latter at the basis of strategic decision-making. Introduction of public policy principles and procedures, promotion of democratic principles in the government and active participation of the public should become the main task of reform process.

The need for public administration and civil service reform is caused by systemic nature of problems in these fields. Solution of these problems equally serves interests of the society, the government, and civil servants themselves. Despite a significant interest to the reform and declared aspiration to make steps in this direction, frequent attempts to offer new vision of principles of legislation on civil service did not succeed due to a lack of public and political consensus on these issues.

Basically, complexity of the problem and a large number of competing groups of interests involved into

the process of finding a solution caused a need for a qualitatively new approach to the process of development of reform policy. The Main Department of Civil Service initiated a proposal to **draft Concept of Civil Service Law as a policy document that identifies key reform principles.** Thus, the drafting of a concept law precedes the drafting of the law itself.

The principle of political and legal dichotomy is a classical example and an approach to policy making. Development of government policy requires balancing of competing and frequently opposite viewpoints and interests. **This is possible only through public policy campaign** that allows complete and multifaceted problem analysis and representation of diverse alternative solutions. Policy campaigns result in certain consensus developed during discussions with all interested parties which is laid down as a basis of government policy.

On the other hand, drafting legislation requires professional work of lawyers who «translate» the language of state policy into language of law. **Previous attempts of civil service reform did not take into account these diverse interests and were not aimed at involvement of the public. On the contrary, they immediately offered «ready-made» solutions in the form of draft laws.** Consequences in such cases are often inefficient implementation and fulfillment of legislation, and sometimes even resistance in the society and political community.

The process of development of the Concept of civil service law took place as public policy campaign. A working group under chairmanship of the Head of the Main Department for Civil Service was established for preparation of the Concept. It included representatives of the key ministries, agencies, scientific institutions and non-governmental organizations. Functions of the secretariat of the working group were carried out by the Center for Support of Civil Service Institutional Development.

Analytical work on problem analysis and formulation of alternative solutions was performed with involvement of ministries and other government agencies, oblast administrations, centers for civil servant professional training, regional institutes of public administration of the National Academy for Public Administration under the President of Ukraine, Universities, scientific institutions and international experts during April – October 2004. The Main Department for Civil Service has received over a hun-

dred responses with proposals and comments. They were considered and taken into account while developing the Concept. **Public discussion demonstrated a considerable interest and support for reform of civil service. It allowed taking into account diverse interests.**

A series of the working group meetings took place during the public campaign. As a result of every public or expert discussion or working group meeting, a new improved version of the Concept was produced. Each of them was more fully taking into account various interests and viewpoints concerning reform of civil service while keeping to main principles of civil service accepted in EU countries.

Success of approval of the Concept by the Coordination Council on Civil Service and the Cabinet of Ministers of Ukraine demonstrated a powerful example and gave a practical lesson of organization of a public campaign. This process has proven that reforms can be more successful in case of taking into account societal interests and involvement of the public.

Concept envisages:

- establishment of relationship between a civil servant and the state based on public law;
- delimitation of political and administrative positions, establishing of the higher corps of civil service;
- clear definition of the sphere of legislation of civil service and criteria of defining the status of a civil servant;
- laying down principles of new job classification of civil servants depending on the work substance; regulation of general and specialized corps of civil service and ensuring mobility of civil servants between various types of civil service;
- introduction of personnel management in the civil service based on principles of rule of law, competency and merits;
- increasing the share of base pay in the total remuneration of civil servants;
- authorizing the central government agency for civil service to oversee state order for professional training of civil servants and provide coordination;
- regulation of disciplinary liability of civil servants.

III. INSTITUTION BUILDING AND A SYSTEM OF CIVIL SERVICE MANAGEMENT

1. Functional management system for the civil service

1.1. Enhancement of authority of the Main Department for Civil Service

In order to fulfill tasks identified in the Presidential Decree #278 dated 5 March 2004, the organizational and legal status of the Main Department for Civil Service strengthened and its authority expanded.

On 6 September 2004, the President of Ukraine has signed a Decree «On Amendment of the Regulation on the Main Department for Civil Service of Ukraine» where he *vested additional authority into the Main Department for Civil Service concerning:*

- functional reviews of central and local government and making recommendation on enhancement of efficiency of government work;
- facilitation of administrative reform;
- introduction of strategic planning procedures into the government work;
- ensuring observance of common requirements of professional conformity of candidates to positions of civil servants; in particular, this shall be done through conclusions on appointment to and dismissal from positions of first deputy heads and deputy heads of government agencies who are responsible for work of offices and personnel services.

1.2. Establishment of territorial agencies of the Main Department for Civil Service

With the aim to ensure implementation of government policy in the sphere of civil service and compliance by local government agencies of civil service legislation, enforcement of anti-corruption activities and observance of requirements to professional conformity of candidates for positions of civil servants and other coordination of government agencies in the field of civil service, the Cabinet of Ministers of Ukraine took a decision to create territorial agencies of the Main Department for Civil Service from 1 January 2005.

Establishment of territorial agencies of the Main Department for Civil Service will allow to:

- improve effectiveness and efficiency MDCS at the local level;
- improve mobility and flexibility of management in the civil service and adherence to common standards;
- provide more accurate and objective information staffing needs of these agencies;
- improve efficiency and effectiveness of professional training system at the local level.

2. Strengthening intellectual potential for reform

2.1. Establishment of the Center for Support of Civil Service Institutional Development

On 14 April 2004, the Cabinet of Ministers of Ukraine has established the Center for Support of Civil Service Institutional Development under the Main Department for Civil Service for the purpose of ensuring research, informational, analytical, methodological, organizational and other support of public administration development, assisting the Main Department for Civil Service in its activity, enhancement of civil service institutional capacity and its adaptation to standards of the European Union (*Resolution of the Cabinet of Ministers of Ukraine «On establishment of the Center for Support of Civil Service Institutional Development» dated 14 April 2004 #485*).

Mission of the Center is to facilitate the institution building of government agencies by improving their organizational structures, enhancing professional capacity of personnel and introducing public policy principles and procedures with the purpose of realization of rights and freedoms of citizens of Ukraine.

Objectives of the Center are:

1. Developing recommendations for government policies and strategic initiatives aimed at enhancement of effectiveness and efficiency of government institutions.
2. Involving stakeholders at preparing recommendations for government policies.

3. Facilitating organizational changes aimed at improvement of quality of services and reduction of expenditures of public administration for rendering such services.
4. Informing the public on the issues of civil service, administrative reform and institution building in the context of European integration.
5. Organization of personnel training in policy analysis, strategic planning and change management.

The main projects of the Center in 2004 were:

1. Organization of public policy campaign in the sphere of civil service law development; coordination, expert and analytical support for drafting the Concept of Civil Service Law.
2. Preparation to functional reviews of government agencies, and development of functional reviews methodology.
3. Initiating, organization and analytical support for building the quality management system at the Main Department for Civil Service in line with the international standard ISO 9001:2000.
4. Developing policy recommendations on establishing the School of Higher Corps of Civil Service under the Main Department for Civil Service.
5. Pilot project in competency profile development for the position of a head of the division at the Main Department for Civil Service.
6. Coordination of cooperation with the International Bank for Reconstruction and Development regarding implementation of the Memorandum on understanding between the Cabinet of Ministers of Ukraine and the International Bank for Reconstruction and Development for cooperation in the field of civil service and administrative reform.
7. Organization of the seminar «Formation of the Higher Corps of Civil Service: Experience of France for Ukraine» on 25-26 October 2004 with support of the Embassy of France in Ukraine.

2.2. Commission on Personnel Reserve for Senior Civil Service Positions

Commission on Personnel Reserve for Senior Civil Service Positions was established by the Decree of the President of Ukraine dated 4 June 2004 (*Decree of the President of Ukraine «On Commission on Personnel Reserve for Senior Civil Service Positions» dated 4 June 2004 #614*) as a permanent advisory body under the President of Ukraine with the

main purpose to facilitate the effective personnel reserve for senior positions of civil servants.

Establishment of the Commission was one of the important steps to develop modern top management elite in civil service, i.e., the higher corps of civil servants. Commission should provide an independent highly qualified assessment of a candidate included into the personnel reserve. On the other hand, the Commission is to ensure the establishment of a data bank for public sector managers capable of ensuring functioning of a government agency at the proper level.

2.3. Approval of the Standard Regulation on a First Deputy Minister – Chief of Office

A Standard Regulation on the First Deputy Minister – Chief of the Office of a Ministry was approved to enhance the analytical, legal, informational, organizational, logistical and technical support provided to ministers and ministries and clarify the status of the first deputy ministers – heads of offices of ministries (*Decree of the President of Ukraine «On Standard Regulation on the First Deputy Minister – Chief of the Office of a Ministry» dated 21 August 2004 #964*). This is an important step towards delimitation of political and administrative positions.

The main tasks of the first deputy minister – chief of office of a ministry are:

- ensuring fulfillment of a ministry's tasks and its effective day-to-day operation;
- support of a minister as a member of the Cabinet of Ministers of Ukraine and leader of the ministry;
- ensuring stability and consistency in activity of the ministry.

2.4. Policy recommendations about the creation of the School of Higher Corps of Civil Service

Taking into account changes in functional management of the civil service and its institutional development, it is necessary to enhance professional training of civil servants to bring its content and forms closer to requirements and tasks of modern public administration. Professional training should not be just one of the fields of research and education but, predominantly, a sphere of practical management of government (public) resources.

This is particularly relevant for civil servants of the (top) first and second categories whose qualification and professional competency are indicators of capaci-

ty to take justified decisions at the national level including those having serious political, economic and social consequences for the state and society.

Success of public administration development and modernization requires clear political goals and tasks but also crucially depends on powerful leadership from higher corps of civil service. This corps is de facto formed already out of highly qualified professionals, who have substantial management experience and require narrowly specialized intensive training, which would provide them with contemporary knowledge, new skills and abilities.

In parallel, systemic work should be done for selection and specialized training of a new cohort of young leaders who will gradually come to replace today's leaders and provide, on one hand, consistency and stability, and on the other hand, renovation and modernization of government machinery.

The creation of a higher corps school should ensure meaningful continuation of the work done by the Commission on Personnel Reserve for Senior Civil Service Positions.

Summarizing the above, the Main Department for Civil Service believes that even though Ukraine's civil servants can have access to professional training through public administration master programs, no systemic work is being done for professional training of civil servants of higher corps (I-II categories).

This work shall be performed following the two main directions:

- assessment of professional development needs for civil servants of higher corps and organization of specialized training, individual education, seminars, workshops and other communication events for top managers;
- selection and specialized training of candidates for top management positions in the civil service (in particular, to replenish personnel reserve for these positions).

The Main Department for Civil Service is proposing to establish a School of Higher Corps of Civil Service that would function according to civil service legislation and would not be regulated by general education laws.

3. Linkage with structural reforms

In the beginning of 2004, the Main Department for Civil Service has put forward a policy initiative to link reforms in the civil service and public administration. The President of Ukraine has supported the proposal of the Main Department for Civil Service and assigned the

Cabinet of Ministers of Ukraine to carry out functional reviews of government agencies. Based on these functional reviews, existing system of public administration should be analyzed in terms of possibilities to improve its efficiency. The Main Department for Civil Service of Ukraine undertook leadership in this work.

Functional review is aimed at ensuring that the work of a ministry or any other government agency is focused at achieving key policy objectives of the Government. As a result, the following will happen:

- reduction of the scope of functions of the Government by removal of unnecessary or inappropriate functions or reducing their scope, their delegation or privatization;
- improving the efficiency and effectiveness of ministries' work and reducing their cost to society;
- improvement of performance of ministries by focusing their work on achievement of key objectives.

Functional review is a part of the comprehensive approach to improving the structure and system of agencies of the executive branch, improvement of efficiency and performance. Functional review results in revision of government functions in the sector and establishment of an institutional structure adequate to its functions.

At the same time, quality management systems should be introduced in public administration. This works is aimed at enhancing the effectiveness of the processes and improving the quality of services, strengthening the customer orientation of government agencies.

The Law of Ukraine «On the State Budget of Ukraine for 2005» envisages a new budget program «Institutional Development of Civil Service and Functional Reviews of the Government». The Center for Support of Civil Service Institutional Development is responsible for this budget program.

On 18 November 2004, the Coordination Council was established to facilitate functional reviews of the government. It was formed at the top level of government comprising first deputy ministers, heads of divisions of the Secretariat of the Cabinet of Ministers of Ukraine and is chaired by the Head of the Main Department for Civil Service.

Since 17 November 2004 a specially established working group has been developing functional reviews methodology. The working group members are repre-

sentatives of the Main Department for Civil Service, Ministry of Finance, Ministry for Labor, the Center for Support of Civil Service Institutional Development and independent experts. In January of 2005, the draft methodology will be filed for consideration by the Coordination Council.

4. Institutional changes aimed at improving efficiency and effectiveness of government work

After the government functions are reviewed and restructuring is done, internal process efficiency and customer orientation of the government should be improved. This can be done through quality management system.

Quality management would guarantee the organizational capability of the government to carry out aims and objectives assigned to it. The key is to define a «customer» and «service». This should come out as a result of functional review. Customers of services of government agencies are (most often) the state leaders (President of Ukraine, the Cabinet of Ministers of Ukraine), members of the Parliament of Ukraine, other agencies of government, institutions and organizations, and (in certain cases) individuals and organizations.

There are the following main organizational problems prevailing in government work:

- insufficient understanding by ordinary officials of aims and priorities of their organizations;
- lack of client cooperation and insufficient attention to their needs;
- ineffective planning; planning is not related to budget process; deficiency in organization of internal processes;
- lack of indicators of performance and efficiency, deficiency of analysis of achievement of them and planning for improvement.

The Main Department for Civil Service, in its activity, faced the same problems. For solution of them, a decision was taken to develop and implement a system of quality management in line with the international standard ISO 9001:2000 in its activity. International experience demonstrates that this system is a particular «foundation» for building a general system of quality management in a government agency such as Total Quality Management (TQM) or Common Assessment Framework (CAF).

Within the project of «Introduction of the quality management system in line with the international standard ISO 9001:2000 in activity of government executive branch

agencies (on the example of the Main Department for Civil Service)», a diagnostic audit of activity of the Main Department of Civil Service was performed in order to check for conformity with requirements of the standard. Main categories of customers of main services provided by the Main Department for Civil Service were defined. All processes taking place in the Main Department for Civil Service were defined and preliminarily described. The work was started to study expectations of consumers of services of the Main Department for Civil Service.

Introduction of quality management into activity of the Main Department for Civil Service, and afterwards, into activity of other agencies of the executive branch will allow to:

- shift efforts from fulfillment of «routine» work to strategic functions of initiation and implementation of government policy;
- introduce a process-oriented approach, define and regularly analyze indicators of performance of processes and quality of services;
- clearly distribute responsibility, strengthen horizontal links and overcome organizational barriers inside the agency;
- assess personal contribution of every official to general results of activity of the agency;
- organize a narrowly specialized on-the-job training of personnel in line with requirements made to it;
- introduce change management as a permanent process of organizational improvement with the purpose of improvement of performance and efficiency.

By the end of the first semester of 2005, it is planned to certify the quality management system of the Main Department for Civil Service for conformity with the international standard ISO 9001:2000.

Pilot project for building the quality management system in the Main Department for Civil Service shall become a basis for introduction of a similar system in the entire system of agencies of the executive branch.

Ukrainian Association of Quality which is a national representative of Ukraine in European Organization of Quality highly assessed the ability of the Main Department for Civil Service to introduce a quality management system and its further certification in line with the standard of ISO 9001:2001 and has officially nominated the Head of the Main Department for Civil Service T. Motrenko for award of the United Nations Public Service Award.

Principles of quality management in public administrations of the European Union

Pilot project on introducing quality management in the Main Department for Civil Service following a standard ISO 9000:2000 is a first step to building a more perfect system of improvement of public administration which corresponds to the Common Assessment Framework generally accepted in the European Union. «Common Assessment Framework» is a product of long work of 15 ministers of public administration of EU countries, and combines the most progressive approaches to the systems of management of quality applied in business. At the same time, it is fully adapted to the needs and specificities of public administration.

«Common Assessment Framework» is the most advanced form of quality management, while certification following ISO 9000:2000 standard is the most simple instrument of guaranteeing customers a quality rendering of services by organizations. ISO 9000:2000 envisages regulation of all processes of the system, clear distribution of responsibilities in an organization, and checks if every process is fulfilled in a proper way. On the other hand, «Common Assessment Framework» does not give any detailed instructions, is very flexible, and is used as an instrument for permanent self-improvement of organizations. It requires a high degree of understanding of the quality management system by managers and workers of an organization and effective organizational mechanisms of its implementation.

Basic principles of «Common Assessment Framework» are:

1. To capture the unique features of public administration.

2. To serve as a tool for public administrators who want to improve the performance of their organization.
3. To act as a «bridge» across the various models used in quality management.
4. To facilitate benchmarking between public sector organizations..

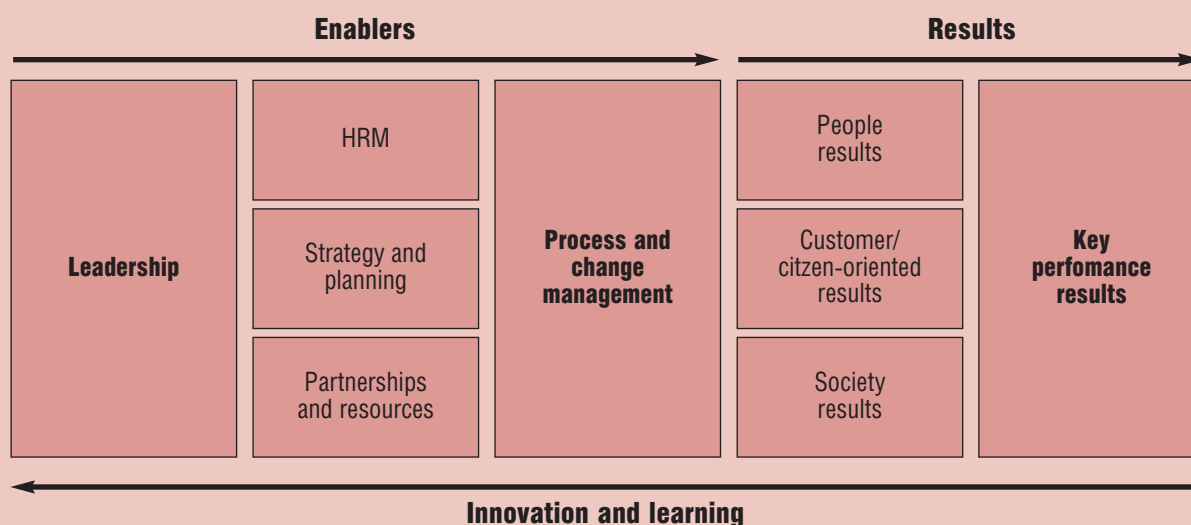
The nine-box CAF structure identifies the main aspects requiring consideration in any organizational analysis.

«Common Assessment Framework» is used by agencies of government in all countries of European Union, with the aim of:

- Self-assessment and permanent self-improvement;
- Definition of the unified direction of reform of the organization;
- Definition of criteria of efficiency and performance of the organization in general;
- Ensuring linkage between the mission, aims (objectives) and strategic planning and processes in the organization;
- Improvement of mechanisms of work without diffusion of resources;
- Involvement of officials to the process of organizational change and creation of incentives to permanent self-improvement from inside.

*Source: The Common Assessment Framework (CAF).
Improving an Organization through Self-Assessment.
European Institute of Public Administration.
Maastricht, October 2002*

The CAF Model



IV. OPENNESS AND TRANSPARENCY OF CIVIL SERVICE AS A BASIS FOR PREVENTING CORRUPTION

The Main Department for Civil Service is systematically ensuring compliance with civil service legislation and prevention of corruption in government and self-governing agencies.

In particular, in 2004:

- the new system of monitoring of activities on prevention and countering corruption was introduced (Resolution of the Cabinet of Ministers of Ukraine «On amendment of the Resolution of the Cabinet of Ministers of Ukraine dated 27 September 1999 #1785» dated 28 October 2004, #1461);
- draft joint decree of the Main Department for Civil Service, State Tax Administration, the Ministry of Finance, the Ministry of Justice, the State Property Fund and the Ministry of Home Affairs of Ukraine «On approval of the procedure of verification of income declarations of candidates for civil service positions» was developed;
- proposals were developed and filed to the Ministry of Justice to the draft law «On main principles of combating corruption in Ukraine» concerning amendment of the Article 5 of the Law of Ukraine «On enforcement of anti-corruption activity» by adding a new part on prevention of conflict of interests and, in particular, prohibition of use by government officials of their status for their own benefit, or benefit of members of their families, and improper use of transport vehicles and means of communications, equipment and other state-owned assets;
- jointly with the National Academy for Home Affairs of Ukraine the guidelines for government agencies and local self-governance bodies were developed on combating corruption;
- a Civic Council was created under the Main Department for Civil Service as a coordinator of public consultations (according to the Decree of the President of Ukraine «On facilitation of broad public participation in public policy-making» dated 31 July 2004 #854).
- «Civil Service» hotline as well as an Internet line for «Prevention of corruption» were introduced;
- proposals are developed to require civil servants of I – II categories to file declaration of income, assets and expenses and prohibit accepting of valuable gifts.

HOW TO COMBAT CORRUPTION IN THE STATE AND THE SOCIETY?

Why is corruption dangerous? First of all, **all important government decisions are taken on the basis of hidden motives regardless of consequences for society and various interest groups.**

This causes inconsistency and contradictions in government policy and provokes permanent conflict of interest in government thus constraining sustainable development of the country and decreasing its competitiveness in the international market.

When selection of priorities is dictated by corrupt interests, **the values get distorted: real priorities of development of the country are ignored for the sake of personal interests of officials.**

By redirecting scarce government resources into secondary or insignificant spheres of public life, corruption causes disregard of main human needs, in particular, such basic ones as nutrition, education and healthcare.

Therefore, corruption is a cause of poor development and impoverishment. **There is a vicious circle: corruption is a cause of impoverishment and insufficient development of the country; on the other hand, impoverishment promotes widespread corruption** because if a person cannot satisfy one's needs honestly, they are forced to resort to less honest ways of making a living.

At the same time, corruption is both a reason and a consequence of insufficient development of the society. By its nature, corruption is a very systemic, self-stimulating and self-supporting phenomenon. Corruption embezzles not just politicians and officials but the entire society.

When Spartans were asked who they do not keep money in public treasury, they answered: «In order not to tempt those who will guard it».

Hardly anything has changed in human nature since ancient times. Therefore, it is important to protect both officials and their «accomplices» in society from temptation. For that, a number of systemic steps have to be accomplished:

- **weakening of excessive economic power of officials over private sphere through deregulation**, i.e. limitation of authority of government agencies to fulfill permissive, regulatory and administrative functions;
- **revision and reduction of unjustified government programs** that provoke or sustain corruption (it is not a secret for anyone that there is nothing behind some government programs except for possibility to receive personal benefits for officials);
- **creation of a competitive environment in the sphere of rendering government services** both through delegation of some of them to private or self-supporting companies and through creation of possibilities of receiving the same government service from different government institutions;
- **making registration, permits, and other government services as simple as possible**; one of the most efficient ways here is placement of most of these procedures on the worldwide web. This way was chosen by most of countries of Europe. For example, in UK right now, over 70 percent of such government services are available online. In the coming years, this indicator is planned to be brought up to 100 percent.
- in cases when it is not possible to avoid direct contact between a client and a public official, and when an official is authorized to take an administrative decision, discretion should be minimized through clear regularization of boundaries of official's authority responsibility, and administrative procedures themselves;
- **rules of professional behavior of public officials shall be regularized at the legislative level**, for example, in the Code of behavior of civil servants to make sure that a civil servant may be held responsible for a failure to observe such rules. This is necessary as rendering a service itself does not mean that it is rendered ethically;
- **and of course, a key to prevent corruption is through openness and transparency of government work**. The shortest way to transparency is a simple step – publication of detailed reports about the use of budgetary funds by all agencies of the government and local self-governance (clearly, excluding information about expenditures connected to state secrets).

Therefore, the issue of enforcement of anti-corruption activity is not just the duty of law enforcement and controlling agencies but rather an issue of public administration reform. This problem may be solved only in a systemic way – not as much through monitoring and combating corruption but, first of all, through elimination of opportunities to create precedents.

V. VISION OF THE FUTURE AND NEXT STEPS

1. New Civil Service Law

Development of the new Civil Service Law on the basis of the Concept of Civil Service Law.

2. Establishing higher corps of civil service

Creation under the Main Department for Civil Service of the School of Higher Corps of Civil Service and developing a leadership and professional training program jointly with the Commission on Personnel Reserve for Senior Civil Service Positions.

3. Building a system of unified management for civil service

Improvement of performance and efficiency of functional management of civil service through enhancement of institutional capacity of newly created territorial units of the Main Department for Civil Service.

4. Functional reviews and improvement of public administration structure

Organization of functional reviews in certain sectors of public administration/central agencies of executive branch and their territorial units; and developing proposals for improvement of their structure.

5. Strengthening of intellectual and organizational potential for change

Organizational and professional enhancement of the Center for Support of Civil Service Institutional Development as strategic advisors and project managers in the field of civil service reform.

6. Quality management and ISO 9001:2001

Completion of the pilot project on building the quality management system at the Main Department for Civil Service, its certification according ISO 9001:2001 standard and sharing this experience with the entire system of public administration as a first step to improve its effectiveness and efficiency.

7. The World Bank investment loan for civil service development and modernization

Initiation of the project by the Government of Ukraine to receive the World Bank investment loan.

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