



MINISTERSTVO VNITRA
ČESKÉ REPUBLIKY

Strategic Framework of the Development of Public Administration in the Czech Republic in 2014 -2020



August 2014

CONTENTS

1. KEY FACTS.....	3
2. THE STRATEGIC FRAMEWORK AND ITS CONTEXT.....	4
2.1. Reasons and Circumstances.....	4
2.2. Link to Relevant Strategic Documents.....	7
3. INTERVENTION LOGIC AND OUTLINE OF OBJECTIVES	9
3.1. Intervention Logic.....	9
3.2. The Global Task and Strategic Objectives.....	9
4. DESCRIPTION OF INDIVIDUAL OBJECTIVES	13
Strategic Objective No.1: Modernisation of the Public Administration	14
Strategic objective No.2: Reviewed and Optimised Public Governance at the Territorial Level.....	30
Strategic Objective No.3: Increased Public Administration Accessibility and Transparency through eGovernment.....	45
Strategic Objective No.4: Development of Professional Human Resources in the Public Administration	50
5. IMPLEMENTATION OF THE STRATEGIC NETWORK	57
5.1. Implementation Process	57
5.2. Structure of the Implementation.....	57
5.3. Framework Estimate of Costs	60
6. APPENDICES	63
6.1. List of Acronyms.....	63
6.2. Brief international comparison of public administration in the Czech Republic and in the EU	64
6.3. Characteristics and relation of relevant strategic documents to the Strategic Framework .	67
6.4. Intervention Logic Scheme	74
6.5. The Mutual Interdependence of Strategic Framework Objectives	83
6.6. Chart of the Public Administration Measuring and Assessment Tools.....	85
6.7. Implementation of preliminary conditions and link to the Operational Programmes.....	86

1. KEY FACTS

Title of the Strategy	Strategic Framework of the Development of Public Administration in the Czech Republic in 2014 to 2020
Responsible agency	Ministry of the Interior
Drafted (year)	2014
Approved by	Government of the Czech Republic
Date and form of approval	<i>tba</i>
Last update	August 21, 2014
Period of implementation	2014 – 2020
Agency responsible for the implementation	Ministry of the Interior in cooperation with selected Ministries of the Government and the Office of the Government of the Czech Republic

2. THE STRATEGIC FRAMEWORK AND ITS CONTEXT

2.1. Reasons and Circumstances

The public administration in the Czech Republic has been, despite the numerous reforms and strategic documents, concepts and action plans adopted, **suffering from the absence of complete and fully implemented** (respectively only partially and rather formally implemented) Concept of the Public Administration Reform of 1999.

The above public administration reform was relatively wide and included the following:

1. A reform of the territorial public administration,
2. A reform of the central public administration,
3. A plan to increase efficiency of the public administration and its planned modernisation.

With the implementation of the first, respectively the second point, we completed a public administration system based on a single model. The single model is by large dependent on the delegation of powers from the central level to lower levels e.g. the self-administration bodies at the territorial and local level, which are closer to the citizen. To streamline the implementation of the system, we **established several transitory mechanisms**, which, however, have **remained in operation ever since**.

The proposed reform, however, was not finalized and gaps in the reform of the central public administration and lack of its modernisation and effectiveness resulted in ever worsening deficiencies which the reform had initially planned to tackle. The subsequent efforts in the direction of further modernisation of the public administration were either random or lacked sufficient support. Some weaknesses in the public administration have not only remained unchanged, but even depended due to random changes or interventions. In some cases, new weaknesses emerged due to the above reasons.

The overall efficiency of the public administration in the Czech Republic **has failed to reach, in many aspects, the quality and efficiency common in other EU member states** (for more see Appendix 6.2: Brief international comparison of public administration system in the Czech Republic and the EU).

Recently, the strategic approach to the public administration has been developed in several texts, namely the Efficient Public Administration and Friendly Public Services: Strategy of Implementation of Smart Administration in the period of 2007–2015 (hereinafter only **Smart Administration Strategy**)¹. The analytical approach is a part of the **Analysis of the current public administration system**.²

¹ The document was adopted by the Government Decree No. 757 of July 11, 2007.

² The Government took note of this document on December 14, 2011 by means of its Decree No. 924.

The Smart Administration Strategy has not been implemented as an overarching document to tackle all problems, issues and weaknesses of the public administration as such. As indicated by its title, it is a living document which is still being implemented and there are no final results (and output) and its evaluation available.

In 2011, the Ministry of the Interior tried to return to the originally proposed draft of the Concept of the Public Administration Reform, in particular to its three tier approach to the public administration concept, in which each tier has a significant impact on the entire system. Since quite a long time had elapsed since the commencement of the implementation of the reform, it was necessary to perform a review of the initial situation as well as an analysis of the current situation. That is why the Ministry of the Interior drafted the Analysis of the public administration system – the current situation.

The initial focus on the territorial administrative aspects changed, however, especially in the light of the development of modern technology, and was re-shifted to new management methods and the use of ICT. The territorial aspect was not, however, completely abandoned. One of the key issues before the implementation of the fully electronic public administration has remained its incomprehensiveness. Citizens still do not know exactly whom to turn to with their requests and how their needs should be solved.

The above Analysis was followed, in 2012, by another document called **Concept of finalisation of the public administration reform**, which was designed to indicate the way forward (in line with the Concept of the Public Administration Reform of 1999, but with text added on modernisation of public administration), which was, however, neither debated nor adopted by the Government.

In 2013, the Czech Government was overturned and the country faced preliminary elections. The new Government was appointed at the beginning of 2014.

The Czech public administration system currently lacks **a strategy or a concept** to indicate its **future direction** (after the end of the Smart Administration Strategy implementation in 2015).

That is why we drafted the **Strategic Framework of the Development of Public Administration in the Czech Republic for 2014 – 2020** (hereinafter only the Strategic Framework). The key objectives of this document are as follows:

- **to provide for continuity and implementation of necessary steps** in the development of the public administration,
- **set the direction for the future development and investments in the selected areas and aspects of the public administration** in the 2014 – 2020 programming period,
- secure **implementation of preliminary conditions** determined by the European Commission as conditions necessary for drawing from the European Structural and Investment Funds (hereinafter only ESIF).

The issue of the public administration development should be also perceived in the context of the developing international perception of public administration and related issues. The New Public Management concept, which dominated the expert debates at the turn of the century, has been

under growing criticism for some time³ and the strongest advocates of this approach (e.g. the Great Britain and the Netherlands) started turning their backs to this concept. At the same time, however, there is no strong agreement over which direction to take now and the current period can be best described as looking for ways to proceed. The Strategic Framework of the Development of Public Administration in the Czech Republic for the period of 2014 – 2020 was drafted with this recent international development in mind. In the phase of its development into the implementing legislation, we will build on international experience and expertise and consider applying the newest ideas in the Czech public administration for the future⁴.

Due to the above facts, the Strategic Framework is not a complex (standard) and comprehensive strategic document⁵ linked to other already existing documents which it, in certain aspects, develops. For this reason, the Strategic Framework does not include a **separate analytical part**. Issues pertaining to the public administration are developed in the above mentioned Analysis of the public administration system – the current situation (hereinafter only the Analysis). When drafting the Strategic Framework, the Ministry of the Interior (hereinafter also the MoI) reviewed the problem issues identified in the Analysis, described the current development in the given area and determined the issues to be solved. The review part of the Strategic Framework needs to be updated; the same is true for the output from the evaluation as part of the Smart Administration Strategy and the implementation plans.

In the process of drafting the Strategic Framework, the Ministry of the Interior used both the Analysis and selected other analytical documents and reports (e.g. Report on the implementation of projects designed to reduce administrative burden of the public, Analysis of public governance at the level of municipalities with basic delegated powers, Report on transfer of administrative agendas performed by municipalities under the umbrella of delegated powers pursuant to public contracts, Report on the efficiency of the General rules of regulation impact analysis (RIA) and other internal and public documents).

Furthermore, the Strategic Framework contains neither a **detailed implementation plan nor an analysis of costs, benefits, and impact of individual objectives, impacts, and activities**. The Ministry of the Interior has planned to create, as a follow up to the Strategic Framework, detailed implementation plans which would include hierarchical structure of activities and measures to implement individual tasks and objectives, the timetable, responsibilities and powers, the budget, management processes, and organisational structure of implementation of the given plan, including indicators and monitoring and evaluation processes. At the same time, the ministry will prepare alternative implementation plans (i.e. alternative solutions of the given problem), and evaluation of costs, benefits, and impact of the process of implementation of individual plans, measures and activities. The Strategic Framework implementing plans will further contribute to the implementation

³ E.g. see the OECD: Public Governance and Territorial Development Public Management Committee. (2011, 11). Building on Basics : OECD Value for Money Study, Final Report (hand-out). Retrieved from OECD: <http://www.oecd.org/gov/budgeting/49042446.pdf>

⁴Seddon, J. (2008). Systems Thinking in the Public Sector: The failure of the reform regime... and a manifesto for a better way. Station Yard: Triarchy Press; or Bourgon, J. (2011). A New Synthesis of Public Administration : Serving in the 21st Century. Canada: McGill-Queen's University Press.

⁵ E.g. following the Guidelines for drawing up of public strategies (www.verejne-strategie.cz).

of action plans to preliminary conditions. For more information, see Chapter 5: Implementation of the Strategic Framework.

Following the implementation phase of the Smart Administration Strategy, the Ministry of the Interior plans to evaluate its impact and benefits and use the results to help review the Strategic Framework and perform its own evaluation. The data and information gathered in this exercise will serve as entry data for both a complex analysis of the public administration system as well as a proposal for a review of the current strategic and specific measures. The data can also be used to propose new areas to support. The Strategic Framework review will also consider potential strategies and concepts of further development of the public administration, including comparison with the current international trends. The Strategic Framework review, which will reflect on the above mentioned input, data, and information, will be submitted to the Government in 2016. Meanwhile, other potential reviews of the Strategic Framework will be performed upon need. At the same time, the authorities will submit to the Government reports on on-going progress evaluation. In this respect, we assume one evaluation report per two years. In 2020, the Government will receive a draft of an updated Strategic Framework for the coming period or there will be a completely new public administration related document drafted.

2.2. Link to Relevant Strategic Documents

The Strategic Framework is directly linked to the **following key analytical and strategic documents**:

- Analysis of the public administration system – the current situation.
- Efficient Public Administration and Friendly Public Services: Smart Administration Implementation Strategy in 2007 to 2015
- National programme of reforms in the Czech Republic 2014 (hereinafter only the National Programme or Reforms).
- Strategy of international competitiveness of the Czech Republic for the period of 2012 to 2020 (hereinafter only Strategy of International Competitiveness).
- Partnership Agreement for the programming period of 2014 – 2020 (hereinafter only the Partnership Agreement).
- Program document: Employment Operational Programme.
- Program document: Integrated Regional Operational Programme (hereinafter only IROP).

In respect of their link to the Strategic Framework, the above documents may be, in general, divided in the following three categories:

1. **The Analysis of the public administration system – the current situation** and the **Smart Administration Strategy served as background documents for the drafting of the Strategic Framework**. The Strategic Framework **directly links** to these documents.
2. **The National Programme of Reforms**, the **Partnership Agreement** and the **Strategy of international competitiveness** are **more general documents** and the Strategic Framework is subordinated to them in the imaginary pyramid of the strategic documents. Selected **development areas and tasks** in these documents which are related to the public administration, will **be implemented** (partially or in full) **in the course of the implementation of the Strategic Framework**.

3. **The Employment Operational Programme** and the **Integrated Regional Operational Programme** documents and **their implementation will contribute to the implementation of the tasks defined by this Strategic Framework.**

For more detailed information (in particular a brief characteristic of the respective strategic documents and their relation to the Strategic Framework), see **Appendix 6.3.**

3. INTERVENTION LOGIC AND OUTLINE OF OBJECTIVES

3.1. Intervention Logic

When selecting the intervention logic and the set of objectives to be promoted by the Strategic Framework, the authorities took the following two approaches: (i) “from the top down” and (ii) “from the bottom up”.

In the first case, we defined the **global objective of the Strategic Framework** and, with respect to the existing data, support documents and related strategies (especially the National Programme of Reforms, Smart Administration Strategy, Partnership Agreement, and the Strategy of international competitiveness), we **created a set of strategic objectives, which were further broken up into individual objectives.**

In case of the “from the top down” approach, we built in particular on the Analysis of the public administration system – the current situation (see the previous Chapter), in which we had described the current issues and problems in the public administration. To **each identified problem to be solved we selected key measures** or activities to solve the problem (or to reduce its impact). Problems and related measures were grouped, in line with their similarities, **to specific objectives. The specific objectives were finally merged into strategic objectives.**

In line with the other approach (“from the bottom up”), we reviewed the original (created through the “from the top down” approach) **structure of objectives, which at the moment consists of 4 strategic objectives and 12 specific objectives.**

For a comprehensive outline of all problems tackled by the Strategic Framework, all key measures and activities, as well as strategic and specific objectives, see Appendix **6.4: Intervention Logic Chart.**

3.2. The Global Task and Strategic Objectives

The Global task of the Strategic Framework for the period of 2014 - 2020 is to increase quality, efficiency, and transparency of the public administration by a targeted intervention focused on selected weak points in the public administration system.

The implementation of the Strategic Framework should be of **benefit** primarily for the **members of the public, the business community, and employees of the public administration themselves.** We believe that the Strategic Framework will help reduce costs related to the public administration and contribute to the increasing streamlining public governance.

The Strategic Framework is primarily targeted at public governance at both the central level as well as in respect of the delegated powers. At the same time, the implementation of the Strategic Framework will concern the territorial self-administration in respect of its powers to perform their delegated powers (especially concerning cost reduction, reduced risk of payment related problems, development of eGovernment, etc.).

In the course of implementation of the Strategic Framework, we shall make sure that all specifics of all authorities and their agendas be taken in consideration so that the public interest is upheld. It will

concern primarily the areas of public security, law and order, as well as significant financial interests of the Czech Republic and the EU. In these aspects, we will adopt an individual approach.

The Global Task of the Strategic Framework will be implemented via the 4 strategic objectives, which further entail 12 specific objectives. For the chart of the selected objectives, please see the following page.

Global Task

Increased quality, efficiency, and transparency of the public administration by means of a targeted intervention focused selected weak points in the public administration system

Strategic Objective No. 1:
Modernisation of the public administration

Strategic Objective No.2:
Reviewed and optimised performance of the public administration at the territorial level

Strategic Objective No. 3:
Increased public administration accessibility and transparency through eGovernment

Strategic Objective No.4:
Development of professional human resources in the public administration

Specific Objective No 1.1

Use of process management elements. introduction of standards for selected agendas

Specific Objective No 1.2

Reduction of regulatory burden

Specific Objective No 1.3

Dissemination of quality methods in the public administration

Specific Objective No 1.4

Introduction of a public administration evaluation system

Specific Objective No 2.1

Harmonisation of administrative geography of the CR

Specific Objective No 2.2

Review and changes in the functions of the administratively divided towns

Specific Objective No 2.3

Optimized system of public contracts

Specific Objective No 2.4

Modification and streamlining of the public administration system of financing of agendas

Specific Objective No 2.5

Reduction of the risk of insolvency of territorial self-administration

Specific Objective No 3.1
Completion of a workable eGovernment structure

Specific Objective No 4.1

Implementation of the Public Service Act

Specific Objective No.4.2

Management and development of human resources in the public administration

Implementation of individual measures and activities leading to the implementation of both specific and strategic objectives is, **to a certain extent, interconnected.**

In respect of the strategic objective No. 1: Modernisation of the public administration, the key task is to optimize and streamline performance of individual (selected) agendas, primarily via their initial mapping and subsequent standardization. These activities will, at the same time, contribute to the reduction of the regulatory burden. The established quality management systems and the system of public administration evaluation will subsequently identify the potential for further optimization of the public administration system.

In respect of the strategic objective No. 2: Review and optimization of the public administration at the territorial level, the individual specific objectives perform in a concerted manner and should lead to an increased transparency of public administration at the territorial level, both from the public point of view as well as in respect of transparency of financing.

Both the strategic objective No. 3, with its focus on the completion of a functioning eGovernment framework, and the strategic objective No. 4: Development of human resources are the necessary prerequisites and tools for the development and streamlining of the public administration and public governance.

For the Scheme of mutual interdependence of the Strategic Framework objectives, see Appendix 6.5.

4. DESCRIPTION OF INDIVIDUAL OBJECTIVES

This chapter is designed to provide an outline and description of all strategic and specific objectives of the Strategic Framework. Descriptions of the strategic objectives derive from the description of their respective specific objectives.

For each **strategic objective** we provide the following:

- A brief summary of the context /description of the given issue,⁶
- Title and description of the objective,
- Outline of specific objectives implementing the given strategic objective, including a brief outline of related key measures and activities.

Furthermore, for each **strategic objective** we provide more detailed descriptions of its individual **specific objectives** in the following order:

- A brief summary of the context /description of the given issue,⁴
- Title and description of the objective,
- A brief description of related key measures and activities,
- The responsible agency,
- Cooperating institutions.

⁶ When drawing up the context (description) of the given field, we drew primarily from the text of the Analysis of the current status of the public administration, which we updated and modified when needed.

Strategic Objective No.1: Modernisation of the Public Administration

Context

Even though we have, to the large extent, modernised our public administration system, there are weak points, system weaknesses, and outstanding issues still there, which we have not been able to eliminate. These concern in particular the following:

- **Lack of knowledge of processes** used by individual public administration bodies to perform their agendas,
- **Lack of consistency in the performance of identical agendas and activities** at different levels and by individual offices,
- **Heavy regulatory burden** impacting citizens, the business community, public administration bodies, and other subjects,
- **The absence of a standardized quality management system,**
- **Incomprehensiveness and inconsistency of quality management methods applied in the public administration** and the resulting inability to monitor and evaluate results and performance,
- **Inability to duly evaluate efficiency and effectiveness of the public administration,** inability to define the results achieved and the impact of the development of the public administration in respect of its focus, efficiency, effectiveness, and economy,
- **The absence of a comprehensive system of evaluation** of the public administration.

Title and description of the objective

Title: *Modernisation of the public administration*

The key goal is to modernise the public administration with the help of a developed management of processes, standardisation of agendas, extended quality management methods, and introduction of a system of evaluation in the public administration with the intention to secure **stable, professional, and high quality performance of the public administration system** and to contribute to the reduction of regulatory burden on citizens, the business community, and the public administration system itself. We also wish to strengthen and reform professional performance of the public administration agenda.

Specific objectives implementing the strategic objective

There are four specific objectives and a number of related measures and activities linked to this strategic objective:

Specific objective 1.1: Use of elements of process management and introduction of standards for selected agendas

- Taking stock of agendas / activities, selection of agendas suitable for the process description/model exercise,
- Evaluation of costs and benefits of methods selected for the model agendas,
- Standardization of selected agendas.

Specific objective 1.2: Reduction of administrative burden

- determining conditions and system tools for improving the impact assessment of the legal regulation in order to improve the legislative environment, both ex ante and ex post, including promotion of the efficient use of the CIA (Corruption Impact Assessment) tools,
- developing a methodology for assessing the overall regulatory burden and its incorporation into the Regulatory Impact Assessment process,
- introduction of a mechanism for the systematic examination and monitoring of changes in the quality of the submitted Regulatory Impact Assessment (ex post RIA) according to the same methodology in the context of the current process of RIA,
- development of methodology for administrative burden measuring and its implementation and use by the public administration bodies,
- development of a concept, based on review of current activities, of reducing the regulatory burden, which would be based on a coordinated portfolio of projects aimed at a regulatory burden reduction.

Specific objective 1.3: Dissemination of quality methods in the public administration

- drafting of an analysis of the use of quality methods in the public administration,
- introduction of a methodology for the implementation of quality management systems in the public administration,
- implementation of quality management methods in the administrative authorities,
- training in quality management for employees of administrative authorities and civil servants,
- methodological support for quality control at the level of the self-administrative units,
- application of the Methodology of preparation of public policies and their implementation in practice,
- development of systems and tools of strategic work in the public administration,
- drafting of analyses of the strategic documentation, introduction of a hierarchical system of strategies and other activities to improve the strategic performance.

Specific objective 1.4: Introduction of a system of evaluation of the public administration

- development of a draft proposal for the functioning of a system of measuring and evaluation of the public administration system, including an analysis of costs, benefits and impact,
- legislative proposals to implement the proposed solution (if necessary),
- implementation of the proposed solution - the introduction of a system of measuring and evaluation of the public administration system and the introduction of related guidelines.

Specific objective 1.1 – Use of elements of process management and introduction of standards for selected agendas

Context

One of the shortcomings of the central public administration system is the lack of knowledge of processes used to perform specific agendas in the responsible offices. Without a detailed survey of agendas and their processes, we cannot use the standard control mechanisms targeted at the quality control. When it comes to changes, heads of the offices are not able to and cannot adequately justify increased costs and need for human resources (for legislative and organizational purposes).

The lack of knowledge of processes and the absence of their description is closely linked to the **incomprehensive performance of identical agendas and activities at various levels and authorities**. The authorities fail to apply an exact process even in respect of those agendas, which are by large based on guidelines and regulations, such as the Act No. 500/2004 Coll., the Code of Administrative Procedure (hereinafter only the “Code of Administrative Procedure”).

Changes are made ad hoc and without deep knowledge of the process, with no respect of the potential impact on the lowest level. Without a managed process of changes we can neither monitor the impact nor results of the measures introduced, not speaking about the inability to introduce an evaluation system. This situation has resulted in the authorities promoting those measures, which tackle the most burning issues or strive to solve general deficiencies of the system. The public administration is therefore overburdened with measures and steps taken without any system in all aspects of management. **Individual measures to improve administrative processes, reduce the administrative burden, and increase efficiency and transparency are often taken without any knowledge of the context.** It is near to impossible, unless we manage to combine both points of view, to get results which would increase efficiency and reflect on the fact, that many agendas are performed at all levels and their performance must be streamlined and unified.

The given situation **impacts** primarily the **efficiency of the public authorities**, but it has had a significant impact on the **quality and comprehensiveness of the services provided** to the public and on the overall transparency of the public administration.

The concept of public administration covers a number of subjects of various legal forms, numbers of staff, managed assets, and, last but not least, purposes for which they had been established. That is why the system requires proper coordination and management. We can definitely draw inspiration to handle this elaborate task from the process management methods used by public administration systems in the EU member states.

Partial efforts to streamline the functioning of the public authorities are often non-systemic and lack conceptual background. They tackle particulars without the possibility of monitoring their impact and results of corrective measures. The description of processes, however, helps us gain a knowledge base that is comparable (if in compliance with the methodological principles) with other process descriptions and models and reveals the performance of the agenda, whether in detail, such as time and human resources intensity, or in a sufficient managerial perspective. It is thus possible to see the agenda in the context of the entire office, including its performance at all levels – local, regional, and central. The process description allows for a comparison with similar agendas.

In the absence of binding standards, it is impossible to insist on harmonized performance of the public administration agenda and a detailed description of the agenda together with minimum qualitative and quantitative implementing parameters (description of time, personnel, information, and technology related requirements, compliance with which is one of the conditions of the high quality performance of agenda in delegated powers). The general qualitative parameters, common for all agendas, will be linked to the output from the quality management tool used.

The project of **Agenda process modelling in the public administration**, implemented as a follow up to the Registry of rights and responsibilities project, tackled the issue of process modelling in the public administration in its full scope. The project was aimed at the drafting of methodology of process modelling in the public administration, including definitions of terms, their harmonisation, and creation of sample agenda process models.

Key objectives (output) of the process modelling of public administration agendas project were formulated as follows:

- **Methodology of process modelling of public administration agendas**, together with the relevant modelling tool (software: Agenda Information System RPP Modelling), which will serve as example for other public administration bodies when they start preparing their own agenda process modelling exercise.

This process modelling tool will be able to calculate the cost of performance of the given agenda (activity) in each of its phases, human resources needed to perform such agenda, their tasks, etc. It can calculate costs as well as savings should the responsible public administration body decide to introduce changes and „take the process in another direction“.

- **Comprehensive and complete description of sample agenda performance** with the help of process models thus creating necessary conditions for acceleration, simplification, and increased transparency of agenda performance, including reduced administrative burden and subsequent increase in the service quality. With the above description, we will be able to calculate real savings. Altogether, we created 40 sample models of agenda processes.
- **Training on the project output.**

Title and description of the objective

Title of the objective: *Use of elements of process management and introduction of standards for selected agendas*

The objective is **to improve quality of the public administration and public governance and to reduce the administrative burden** with the help of **sample models of agenda processes** and their subsequent **standardization**.

Brief description of measures and activities to implement the task

Under the umbrella of this objective, we will primarily focus on the following activities :

- **making an inventory of agendas/activities,**
- **selection of agendas to be described/modelled, evaluation of costs and benefits of the method,**
- **standardization** of selected agendas.

Implementation of measures related to the mapping process and their standardization will build on the output from the Agenda process modelling project.

We plan to create an inventory of agendas/activities (based on an analysis of relevant legal instruments, reference data on the given agendas, and other information related to the performance of the given agenda which we have at our disposal) and select the right ones to draft a process description/process model (to extend the already existing set of the thirty sample agenda descriptions/models). We assume that there will be about 50 process descriptions/process models made. We will evaluate costs and benefits of those agendas, which already have a process model to help us decide whether to take follow up steps or not and if so, how. At the same moment, we will identify duplicities in the public governance at the horizontal level.

The output from the Agenda process modelling project, especially the Methodology of agenda process modelling and the Modelling tool *Agenda Information System* RPP, will be used as the key tool to draft the process models.

The proposed measures to optimise selected agenda processes⁷ will be reflected in binding standards of agenda/activity performance. After having created an inventory of activities performed by the public administration (pursuant to the registration of agendas in the Registry of rights and responsibilities), we will have to make follow up steps to implement the relevant process management methods. The division of activities to the main, support, and lead will help identify those activities, which require increased costs or have direct impact on the citizens.

The process description will serve as a knowledge base allowing us to (i) view the performance of the given agenda in detail (such as time and human resources intensity or (ii) from a managerial perspective. We will be able to see the agenda in the context of the entire office, including its performance at all levels – local, regional, and central. From the data available, we will draw a clear picture of the agenda – its standard – and, in case of agendas performed in delegated powers, to determine its cost. The description of agenda/activity process will provide us with data, which are necessary for the process of determining proper optimisation measures and which may be used for the purposes of quality management in the public administration.

Responsible agency

Ministry of the Interior

Cooperating institutions

Central public administration bodies, territorial self-governing units

⁷ We do not expect to standardize all 50 agendas selected for the process modelling; standards shall be introduced solely to the agendas, which will have their process model completed.

Specific objective 1.2 – Reduction of administrative burden

Context

The rather heavy administrative burden on citizens, the business community, public administration bodies, and other subjects is considered a serious obstacle not only in the development of business and enterprising in the Czech Republic, but also in the functioning of the public administration as such.

When compared to 2012, the Czech Republic now rates six places worse in the evaluation of the administrative burden on the business and entrepreneurial community. It now takes 10 days to register a business and the applicant must comply with eight different requirements.

We lack standardized processes to tackle the most frequent personal situations, handling of applications is lengthy, and the administrative burden of citizens, the business community, and the public administration system itself is omnipresent.⁸

To better understand the current situation, one has to take into consideration two types of burden - (i) the administrative and the (ii) regulatory. In both cases, the situation burdens not only the citizens, entrepreneurs (businesses), NGOs, and other subjects concerned, but also the public administration system itself.

Ad (i) Administrative burden: So far, the Czech Republic has invested its efforts in the process of detecting, measuring and reducing the administrative burden, especially in respect of the business community, but the administrative burden **on the ordinary citizens and NGOs has only been reduced partially**. It is, however, necessary to improve conditions pertaining to all relevant target groups.

On the other hand, sufficient attention has not been paid to the administrative burden on the public authorities themselves and its reduction (the administrative burden on the public authorities is being indirectly reduced through measures aimed at reducing the administrative burden on other subjects) or on selected occupational groups, where the increased administrative burden is more than obvious (e.g. policemen, teachers, physicians).

The Czech Republic lacks a **comprehensive and centrally coordinated policy of administrative burden reduction in respect of other recipients but the business community** (citizens, the public administration, etc.). In 2009, the authorities drafted a Strategy for reduction of overregulation and excessive regulatory burden,⁹ most aspects of its implementing Action plan were, however, stopped. **The current projects to reduce the administrative burden lack proper and complex monitoring, evaluation, and coordination**. We also have a Plan to reduce the administrative burden on the business community and there are measures pending to help reduce administrative burden on the business community in dealings with the public administration.

⁸ Source: Partnership Agreement.

⁹ Approved by the Czech Government (Government decree No. 302 of 16. 3. 2009).

The following eGovernment related activities have contributed significantly to the reduction of the administrative burden:

- introduction of information technology in territorial self-governing units,
- the Czech POINT network,
- the Public administration portal,
- Central public administration registries,
- And many other system-related and individual eGovernment projects.¹⁰

Ad (ii) Regulatory burden: Regulation through law and bylaw is one of the fundamental building stones of a sovereign state. Regulation serves the public interests and their protection. Regulatory burden is to be understood as one-of or recurring costs borne by the subjects concerned as a result of responsibilities imposed by binding laws and bylaws.

The general perception is that the **Czech law and bylaw impose a lot of responsibilities and duties**. Some duties, especially those which pose enormous burden on the addressee and are resource and cost consuming, not speaking about human resources invested, significantly impact the performance of the business community. Such duties should be properly justified and their benefits shown against the costs and resources invested, especially in the phase of drafting of the new law or bylaw.

All central public bodies monitor, as part of their entrusted powers, the efficiency of laws and bylaws under their responsibility. The introduction of Regulatory Impact Assessment (RIA) in 2007 laid foundations to comprehensive monitoring and evaluation of regulatory impact on the central level. Since the same year, the regulatory Impact Assessment has been an obligatory element of the legislative process.

In autumn 2011, the authorities drafted the General principles for regulatory impact assessment, which were subsequently adopted by the Government and entered in force on January 1, 2012. The new Regulatory Impact Assessment methodology was designed to make the Assessment exercise into a less formal process and to help find a legislative solution, which would be proportionate in respect of the problem issue to be solved. It was necessary to pay increased attention on the supervision and control of quality and contents of the Regulatory Impact Assessment performed by the responsible subjects to comply with the OECD. Simultaneously with the new methodology, the authorities introduced yet another important change in establishing a new Regulatory Impact Assessment Commission in the organisational structure of the Government Legislative Council.

On the other hand, members of the Parliament and the Senate are neither required to make an Regulatory Impact Assessment to their legislative initiatives – not even in a summary version (it is not embedded in the Rules of Procedure), nor to justify amendments they propose. Recently, we have been considering to introduce the Regulatory Impact Assessment also for legislative initiatives not made by members of the Government (e.g. proposals submitted by MPs). We plan to propose that the Regulatory Impact Assessment be included in the Rules of Procedure of both chambers of the Parliament of the Czech Republic (The Chamber of Deputies and the Senate) to render the legislative process more efficient and balanced.

¹⁰ Source: Reports on the implementation of projects designed to reduce administrative burden on citizens (2012).

The ministries are currently required, but they hardly ever comply with this responsibility, to proceed in line with the General rules of the Regulatory Impact Assessment when drafting their non-legislative texts, which have material impact and are construed in line with the Rules of Procedure of the Government.

The excessive regulatory burden, however, is not due to the legislative process only. Many problems arise on the level of the internal normative acts of both central administrative bodies as well as other elements of the administrative structure or originate outside the legislative process (irritating costs, late payment charges).

Apart from the on-going changes in procedures, it is necessary to promote increased quality of the Regulatory Impact Assessment submitted. Although we have recently marked a significant improvement in this respect, only 30 per cent of the Regulatory Impact Assessments submitted each year are processed as sufficient and with no negative comments from the side of the supervisory body – in case of the Regulatory Impact Assessments it is the Regulatory Impact Assessment Commission under the Government Legislative Council. Should we, however, add the Regulatory Impact Assessment reports, commented on by the Regulatory Impact Assessment Commission and subsequently re-drafted or completed by the submitting subject prior to the Government meetings, the number of positive ratings by the Regulatory Impact Assessment Commission goes up to 90 per cent (see the year to year comparison of 2012/2013 in the text of the Annual Reports on activities of the Regulatory Impact Assessment Commission).

Since there is no system to assess the impact of the legislation already in effect, which would reveal whether the ex ante impact analysis corresponds with real costs and benefits ex post, we cannot evaluate the real impact of the Regulatory Impact Assessment on the quality of the Czech legislation. Therefore it is recommendable to consider introducing mechanisms of mandatory impact assessment of regulation after its entry in effect, respectively to make due use of relevant provisions of the General Rules of Regulatory Impact Assessment in order to introduce a comprehensive review of monitoring of changes in the quality of the submitted Regulatory Impact Assessment reports drafted in line with one single methodology.

Such measure would be rather costly and before we draw the funds from the public budget, we should first prepare a draft measure, analyse its costs and benefits, and subsequently pilot test the review mechanism on selected laws and bylaws to make a qualified decision on the extent (which instruments should be reviewed and how often) of the mandatory review.

The assessment of corruption risks is an integral part of the government concepts and the authorities have been negotiating the introduction of a mandatory assessment of corruption risks pertaining to legislative initiatives of the MPs. Since it concerns a relatively new tool, we shall focus primarily on the quality of its implementation.¹¹

Title and description of the objective

Title of the objective: *Reduction of administrative burden*

The objective is to **reduce time and financial burden on the subjects concerned** when dealing with the public authorities to **increase quality of the public administration system in the Czech Republic thus contributing to increased competitiveness of our country.**

¹¹ Source: Partnership Agreement

Brief description of measures and activities to implement the task

Under the umbrella of this objective, we will primarily focus on the following activities:

- **Setting up of conditions and introduction of system tools to improve the submitted Regulatory Impact Analyses** to increase quality of legislative environment, both ex ante as well as ex post, including the efficient use of the Corruption Impact Assessment tool,
- **Introducing guidelines for the evaluation of the overall regulatory burden** and their application in the Regulatory Impact Analysis process,
- **Introducing a mechanism of systematic review and monitoring of changes** in the quality of the submitted Regulatory Impact Assessment reports (ex post RIA) in line with single methodology and under the umbrella of the current Regulatory Impact Analysis process,
- **Guidelines for measuring of the administrative burden and their regular use by the public administration,**
- **A regulatory burden reduction concept** based on the review of the recent activities; drafting of a coordinated portfolio of projects targeted at reduction of the administrative burden¹² and setting up of working and efficient mechanisms of coordination and cooperation among various levels of the public administration, including support of the horizontal cooperation (e.g. best practice sharing, harmonisation of processes, exchange of information, etc.).

The level of regulatory burden should be monitored in respect of all administrative agendas and activities and apply it as a criterion in the assessment of appropriate models of governance as well as in addressing the division of competences. Regulatory burden reduction can be approached from different perspectives (the public administration, business community, citizen, and NGO perspective) and addressed by various means (simplification of legislation, optimizing of processes, collected data sharing, etc.),

We shall also strive to improve public administration decisions in the territory (e.g. strategic planning) and to increase quality of the preparation phase of investments made in the territory so that they relate to the regional and municipal planning. In particular, we shall support procurement of regional development tools (documents). The objective is to increase the efficiency of the development of the most exposed areas as well as facilitate and accelerate implementation of European projects in the Czech Republic (projects supported by the European Structural and Investment Funds).

In the following period, we recommend to continue implementing the general projects which are designed to reduce the regulators burden (central registries, Czech POINTs, Public Administration Portal, Agenda process modelling, data boxes, and other projects implemented under the umbrella of the eGovernment initiative). Last but not least, we shall prepare and implement projects targeting the reduction of administrative burden on citizens, NGOs, and the public administration itself.

It is also necessary to reduce the regulatory burden by means of improved regulation impact assessment performed ex ante and with the help of a review of the current regulation ex post pursuant to reports by the subjects concerned.

The implementation of this particular objective is closely related to the Specific Objective 1.1: Use of elements of process management and introduction of standards for selected agendas, since the

¹² See also the Partnership Agreement.

elimination of duplicate, redundant, and incomprehensive processes and the development of standards of selected agendas will contribute to the regulators burden reduction. We can further reduce the administrative burden by ways of properly implementing the Specific objective 3.1: Completion of the workable eGovernment structure.

Responsible agency

Ministry of the Interior/Office of the Government of the Czech Republic

Cooperating institutions

Ministries responsible for the given agenda, territorial self-governing units

Specific objective 1.3 – Development of quality methods in the public administration

Context

In the public administration, quality methods are used only randomly and it is not possible to monitor their impact and benefits. The use of **quality management methods in the public administration has never been systematically promoted, coordinated, or evaluated.** In the Czech Republic, quality management methods are used primarily by the self-administration bodies and by large on their own initiative and spontaneous interest in improving quality of the public administration system and increased management effectiveness.

For this reason, it has been nearly impossible to draft a plan of further development and improvement of quality in the public administration. Results achieved so far by individual bodies are hard to quantify and disseminate. The respective people and bodies may lose motivation to develop their methods further. That is why it has been often hard to get the necessary political support for the improvement of quality in the public administration.

In other words, the public administration **lacks a standardized and customer focused** (citizens, the business community, etc.) **system of quality management.** Such system would help improve quality of the public administration by means of introduction of standardized processes, which would reflect the individual needs of the public authorities. Furthermore, such system would be able to analyse needs of given organisations and, at the same time, propose solutions, feed-back on progress reached, and indication of potential further development of quality.¹³

Quality methods in the public administration, for example the CAF (Common Assessment Framework), benchmarking or benchlearning, Balanced Scorecard, Local Agenda 21, and quality management methods following the ISO norms, belong to **modern management methods and tools** commonly used in all EU member states. The most frequently used method in Europe (in Italy, Poland, Belgium, Germany, and the Nordic countries (*source: www.eipa.eu*) as well as in the Czech Republic is the CAF model adapted to the needs of the public administration.

In the Czech Republic, we have at our disposal a number of **guidelines for the use of the Common Assessment Framework** to be used by the public administration at the territorial level (in the past also by the central authorities). Quality management methods, if properly implemented, used and combined, are efficient, contribute to high quality performance of the user, increase motivation of staff to further develop and perform in high quality, and activate hidden competences and capabilities of all people in the organisation.

The current system of strategic management and drafting of strategic documents has been insufficient and has displayed a number of weaknesses. Current strategies are not interconnected in terms of timetable and contents. The hierarchy of strategic documents is insufficient and may result in partially duplicate strategies which threaten to counter each other. We are aware of the absence of a working mechanism to combine planning and budgeting. We primarily lack short- and long-term estimates of costs and benefits (economic, social, environmental, and political), alternative solutions, and capacity to measure objectives and measures. There is no system in place to facilitate integration

¹³ Analysis of the public administration system – the current situation .

with strategies and decisions of other ministries and territorial units. We have identified the absence of a long-term national strategy defining a long-term vision of the Czech Republic, which would constitute a basis for the formulation of particular long-term priorities of the Czech Republic across all sectors.

Title and description of the objective

Title of the objective: *Development of quality methods in the public administration*

The objective is to **increase quality of the public administration** with the help of **quality management concepts** and the **introduction of quality management methods in the public administration**.

Brief description of measures and activities to implement the task

Under the umbrella of this objective, we will primarily focus on the following activities :

- Drawing up of an analysis of the **use of quality methods** in the public administration,
- **Drawing up of guidelines to introduce quality management methods** in the public administration bodies,
- **Implementation of quality management methods** in the public administration bodies,
- **Quality management training** for employees of administrative bodies and civil servants,
- Drawing up of guidelines to support **quality management at the level of territorial self-governing units**,
- **Implementation of the Guidelines for drafting public strategies** in practice,
- **Development of systems and tools of strategic work** in the public administration,
- Drawing up of analyses **of strategic documentation, hierarchical system of strategies** and other activities to improve the strategic performance.

The form of implementation of quality management methods in administrative bodies will reflect the results of analysis of the use of quality methods in the public administration, which will be drafted by the Ministry of the Interior department responsible for the civil service, in order to determine the so-called. best practice in the implementation and performance of the quality management systems in the administrative bodies and in the local self-government. Great emphasis will be placed on the analysis of experience the public bodies have made in the course of the application of quality methods, their contribution to these very bodies and their employees, as well as regions, cities and municipalities and their self-governing bodies. We shall emphasise the analysis of impact on the service quality from the perspective of citizens and the business community, since our awareness of the needs and goals of these interest groups in terms of services provided by the public administration has the capacity of significantly affecting the correct setting-up of methods and as well as the entire system of quality control. At the same time, we shall focus on the application (use) of the 3E principles.¹⁴

Development of the analysis will be a part of the implementation of the amendment to the Civil Service Act and its outputs will feed the new methodology for the implementation of the selected method or methods to the administrative bodies regulated by the Civil Service Act. Subsequently, we

¹⁴ 3E – z anglického Economy, Effectiveness, Efficiency.

will process the implementing service rules, which will thus become binding for the public administration bodies. For the purpose of understanding of the new quality management system, we plan to organize information seminars for representatives of the public authorities, human resource managers, and relevant senior officials. We plan to introduce the "training of trainers" principle and instruct the application of quality methods into everyday practice of the public authorities. Established methods of quality will, pursuant to the implementation of the Civil Service Act, become one of the criteria for evaluation of professional performance of senior officials in the civil service.

The quality management system will include the development of strategic work and planning in the public administration, including the monitoring of the **process of drafting and implementation of strategic documents**. With the help of the already existing tools, such as the Methodology of drafting of public strategies, the Database of strategies (in both cases under the responsibility of the Ministry for Local Development) and those which are pending, we will manage to improve the quality of the system of strategic work and to implement in full the related tools. The strategic approach must lead to the desired concentration and coherence as well as implementation of the 3E principles of efficiency, effectiveness, efficiency. It will contribute to the proper management of the implementation of strategic instruments (or tools) and their continuous assessment (e.g. in terms of global trends and development).

Furthermore, the Ministry of the Interior will draft a methodology for quality management processes at the level of self-governing units, which will reflect the basic principles of TQM – the Total Quality Management (focus on the customer / citizen, according to the management objectives, process management, continuous improvement, results orientation) with respect to the possibility of horizontal comparison of the public bodies. It is necessary to implement measures from the strategic objective of modernization of the public administration, thus setting up processes in relation to process modelling of agendas, assessing the effectiveness and efficiency of processes (assessment, analysis of indicators of processes + subsequent improvement) and their subsequent rooting in the standard. In respect of support for the implementation of quality methods, the Ministry of the Interior methodically will focus on guidelines to introduce methods, the application and outputs of which can be subsequently used to measure performance of agendas performed in the delegated powers.

The modernisation efforts in the public administration shall be supported by training in individual areas, including quality in the public administration. We also plan to promote further cooperation of municipalities in order to build capacities in the area of quality management, management efficiency, and equal access to public services.

The implementation of this particular objective is closely linked to the implementation of Strategic Objective 1.1: Use of elements of process management and introduction of standards for selected agendas.

Responsible agency

Ministry of the Interior (for the public administration at the territorial level) and the department of the Ministry of the Interior responsible for the public service (for administrative authorities)

Cooperating institutions

Central public administration bodies, Ministry for Local Development, territorial self-governing units

Specific objective 1.4 – Introduction of a public administration evaluation system

Context

The public administration is monitored and evaluated primarily through output in the form of reports related to the relevant key strategic documents. Proper monitoring and evaluation processes are set only in respect of the system of drawing from the European structural and investment funds, but in other areas they are almost non-existent.

The Czech Republic **does not have a working public administration evaluation system** to (i) regularly draw **information on its performance**, (ii) facilitate **comparison of its individual elements**, (iii) **allow for corrective measures and development of the public administration**, and (iv) assess its **future development**.

Currently, we are able to neither properly evaluate performance and effectiveness of the public administration in the Czech Republic nor define the results reached (impact made) by the development efforts in respect of their content, efficiency, effectiveness, and economy.

Currently, we assess the draft regulation with the help of the Regulatory Impact Assessment and the Corruption Impact Assessment. We can also compare and evaluate through the quality management system based on a selected quality management method (e.g. the CAF, Local Agenda 21 or Benchmarking), which have proven themselves in practice and are relatively well established at the level of the self-governing bodies. They are not, however, utilised much at the central public administration level (for more, see the text to the Specific Objective: Development of quality methods in the public administration).

Title and description of the objective

Title of the objective: *Introduction of a public administration evaluation system*

The objective is **to introduce an efficient system of measuring and evaluation of the public administration** as a tool to **improve its q in line with principles of efficiency, effectiveness, and economy**.

Brief description of measures and activities to implement the task

Under the umbrella of this objective, we will primarily focus on the following activities :

- Development of draft proposal for **a functioning system of measuring and evaluation** of the public administration, including an analysis of costs, benefits, and impact,
- **Drafting of relevant legislation** (if necessary),
- Implementation of the proposed solution – introduction of **a functioning system of measuring and evaluation** of the public administration and subsequent drafting of **guidelines**.

The **system of measuring and evaluation** of the public administration should be used to assess the public administration performance. Moreover, it should have the capacity of giving us a detailed overview of the result reached in the process of developing the public administration thus allowing us to determine priorities and direction of the future development of the public administration in the Czech Republic.

To create a uniform system of public administration assessment, we shall **create a binding structure of responsible authorities** which would cover the above assessment and evaluation tools and methods and merge them into a uniform system of complex evaluation of the public administration. The key responsibility for the evaluation of the public administration shall be borne by the Ministry of the Interior, in cooperation with its the newly established department in charge of the public services, The Ministry of the Interior shall submit to the Government (in cooperation with its the newly established department in charge of the public services) the “ Annual report on public administration” (hereinafter only the “Annual Report” for each calendar year.

The introduction of the system of measuring and evaluation of the public administration will be mandatory for the central public authorities. The territorial self-administration will primarily use methodologies and guidelines.

The system of measuring and evaluation of the public administration will be **based on four pillars** (see the chart in Appendix 6.6: Chart of the Public Administration Measuring and Assessment Tools).

The first pillar will focus on measuring and evaluation of the public administration with the help of measuring and assessment by means of the **Regulatory Impact Assessment and the Corruption Impact Assessment tools**. In respect of the Regulatory Impact Assessment, the source data for the analysed indicators will be found in the regular “Regulatory Impact Assessment” Annual Report, which is drafted each year by an independent RIA Commission. We will monitor and evaluate primarily the numbers of reports on the evaluation of impact of the proposed regulation with special attention paid to their “acceptance without negative comments”. At the same time, we shall perform the Corruption Impact Assessment in order to analyse corruption potential of the selected valid legislation.

The second pillar will facilitate the process of **monitoring and assessment of efficiency and economy** of the public administration, so called measuring and assessment of the internal functioning of public bodies, primarily with the help of q management methods. The introduction and development of these methods in the public administration shall be promoted under the umbrella of the Specific Objective 1.3: Development of quality methods in the public administration. **Monitoring and assessment of efficiency and economy** of the public administration shall also utilise the **agenda process modelling** tools and subsequent standardisation of the public administration agendas, which will allow for **monitoring of indicators measuring the time requirements and costs of the agenda performance**.

The third pillar of the system of measuring and evaluation of the public administration shall be based on **monitoring of performance of public bodies in respect of the implementation of tasks which derive from the key strategic documents**, such as the Strategy of international competitiveness, the National Programme of Reforms, the Government Anti-corruption strategy for the period of 2013 to 2014 and others, including their amendments and updates.

The fourth pillar will be based on a final and conclusive qualitative assessment of the public administration in the Czech Republic with the help of the already existing indicators which have been used for long-term monitoring by the World Bank and the OECD. These indicators cover a number of various aspects and points of view of the functioning of the public administration (e.g. from the point of view of citizens, the private sector, etc.). The Czech public administration will therefore be assessed in the light of its rating amongst the EU member states in respect of the selected indicators.

With the help of this international comparison, we will primarily gather information on the impact of individual q measure already implemented in the given period of time when compared to other

countries. For example, we shall monitor the indicator of the Government Effectiveness by the World Bank, which compares individual countries in the light of variables, such as q of the public services and its perception, level of dependency of the public services on political pressure, q of planning and implementation of public policies, or trustworthiness of government promises and obligations. Compliance with the selected indicators will be described in the Annual Report submitted a source of information to the Government by the department of the Ministry of the Interior in charge of the public services.

Responsible agency

Ministry of the Interior

Cooperating institutions

Office of the Government of the Czech Republic, department of the Ministry of the Interior in charge of the public services, territorial self-governing units

Strategic objective No.2: Reviewed and Optimised Public Governance at the Territorial Level

Context

One of the key reasons for drafting the Strategic Framework was the need to **solve problems related to the failure to implement** (respectively formal implementation) of the **Public Administration Reform Concept** of 1999. As indicated in Chapter 2.1: Reasons and circumstances of the Strategic Framework, the given public administration reform was quite extensive and included the following: (i) a territorial public administration reform, (ii) a central public administration reform, and (iii) modernisation and increased efficiency of the public administration.

With the implementation of the first, respectively the second point, we completed a public administration system, based on a single model. The single model is by large based on the transfer of powers from the central level to lower levels e.g. the local self-administration bodies, which are closer to the citizen as the customer. To streamline the implementation of the system, we established several transitory mechanisms, which have remained in operation ever since.

The key shortcomings are as follows:

- **Complicated and incomprehensive administrative structure** and failure to align the territorial self-governing units with the administrative districts,
- **Varying competences** of municipal districts and the fact, that the central authorities currently **cannot influence the extent** the current municipal districts or parts of territorially divided towns **perform their delegated powers**,
- **Asymmetrical setup of statutory towns**,
- **Extensive use of public contracts**, under the umbrella of which municipalities often, without any due reason, transfer their administrative agenda on another municipality, and the **non-existence of comprehensive system of information** on public contracts concluded and terminated.

It is necessary to solve the issue of **financing of the delegated responsibilities of the public administration** and react to the **increasing number or insolvent municipalities**. By solving this issue, we will remove the following problems:

- **Inefficient and non-transparent allocation of public governance financing, the absence of feedback** on the cost and efficiency of public services performed in delegated powers,
- **Lack of financing** to implement larger investments (especially in respect of small municipalities), **lack of professional and specialized municipal staff** and the **absence of legislation** necessary for municipalities to enter insolvency proceedings and solve their financial problems.

Title and description of the objective

Title: *Reviewed and optimised performance of the public administration at the territorial level*

The objective is to **increase the efficiency of public services at the territorial level**, including the **increased transparency** of the entire system, primarily via the process of harmonisation of the

administrative geography of the Czech Republic, amended system of public contracts, and improved financing of public services in delegated powers.

Specific objectives implementing the strategic objective

This Strategic Objective builds on the implementation of five Specific Objectives and related measures and activities:

Specific objective 2.1 Harmonisation of administrative geography of the Czech Republic

- **Alternative solutions of the current situation** and potential ways of **streamlining and harmonisation of public services at the territorial level**, including the analysis of cost, benefits, and impact,
- **Debating the alternative solutions** with the relevant parties concerned and subsequent selection of the winning solution,
- **Drafting of relevant legislation** ,
- Implementation of the proposed solution.

Specific objective 2.2 Review and changes in the functions of the administratively divided towns

- **Review of the current situation and selection of criteria for determining the status of a statutory town and the mode of its further administrative zoning**,
- **Determining the scope of delegated powers performed** within the administrative district of the respective part of the town,
- **Amendment of respective legislation.**

Specific objective 2.3 Optimized system of public contracts

- **Review and amendment of rules** to conclude public contracts,
- **Improved control system and process of supervision of** delegated powers at the regional level,
- Setting up of rules and **system for publication** of public contracts,
- **Amendment of respective legislation.**

Specific objective 2.4 Modification and streamlining of the public administration system of financing of agendas performed in delegated powers

- Validation and **development of the already existing alternatives of a system of financing of the delegated powers** including the relevant backup analyses (targeting primarily costs, benefits, and impact),
- **Debating the alternative solutions with the relevant parties concerned and subsequent selection of the winning solution**,
- Implementation of the proposed solution.

Specific objective 2.5 Reduction of the risk of insolvency of territorial self-administration

- **Improved training of civil servants and territorial self-administrative bodies' staff in the field of financial management** – representatives of the self-administrative bodies should gain knowledge of accounting, budgeting, control, public procurement, etc. to be able to analyse financial risks of intended investment and non-investment projects and to plan the long-term development of the territory and assets under their responsibility,

- **Drafting of analyses and alternatives of potential increase of financial autonomy** (e.g. by the introduction of local taxes, increased powers of municipalities in influencing their tax income, etc.),
- **Debating the alternative solutions with the relevant parties concerned and subsequent selection of the winning solution and its implementation,**
- Determining of **rules and alternative ways of insolvency procedures in respect of territorial self-governing bodies** and their implementation.

Specific objective 2.1 – Harmonisation of administrative geography of the Czech Republic

Context

In the past, we adopted, **under the umbrella of the local self-administration reform, new regulations, which established** new territorial administrative units (Constitutional Law No. 347/1997 Coll., establishing higher administrative self-governing units and Act No. 314/2002 Coll., which established municipalities with extended powers and municipalities with empowered local authority). At the same time, the **administrative units** established in line with Act No. 36/1960 Coll. (district, region) **remained in place**. Paradoxically, we currently have two co-existing systems – **the newly adopted administrative geography and the old territorial setup which dates back to 1960**.

This situation has caused us **some problems**, in particular the following:

- **Complicated and incomprehensive administrative structure,**
- **Failure to align** the territorial self-governing units with the administrative districts.

The above problems have had a negative impact both on citizens who find it hard to comprehend the incomprehensive system of administrative authorities and the authorities themselves, which experience difficulties when it comes to coordination of their activities.

The **public administration reform established 14 higher territorial units, 14 higher territorial self-administrative units, 205 municipalities with extended powers and 388 municipalities having an delegated municipal office**¹⁵. The **administrative units established by Act No. 36/1960 Coll., on Territorial division of the Czech Republic** (hereinafter only the “Territorial Division Act”), i.e. 76 districts, 7 regions and the Municipality of Prague with its ten districts, remained in place as well. By keeping the Territorial Division Act and territorial administrative units established by this Act, the authorities introduced a **transitory solution** to eliminate issue in the public administration related to

¹⁵ Of 388 municipalities with delegated municipal authority, 205 municipalities perform their activities as delegated by the higher territorial self-administrative units and 183 „only“ responsibilities of the delegated municipal authority.

the introduction of the joint model. The **transitory situation, however, has been in place for more than ten years.**

The territorial administrative units established by the Territorial Division Act of 1960 are based on a completely different concept of public administration than the territorial self-governing units with their administrative districts. **The key shortcoming is their failure to fit in the same territory.** Under standard conditions, borders of lower territorial administrative units do not extend beyond the borders of the higher administrative unit. This condition is now missing at two levels – the level of districts and administrative territories of municipalities with extended powers (33 municipalities concerned) and self-governing regions and regions established pursuant to Act No. 36/1960 Coll. There is no alignment between the “old” and the “new” territorial division.

The failure to align the territorial units established by Act No. 36/1960 Coll. has caused problems **especially when it comes to cooperation and coordination of central bodies with the territorial self-governing authorities.** The current situation is incomprehensible **for the citizens.** It happens, that an individual living in a self-administrative region would be under the territorial responsibility of several regional institutions established in line with Act No. 36/1960 Coll. (e.g. as regards the judiciary) or that inhabitants of one administrative district of a municipality fall under the responsibility of several districts. Problems emerge also in the information network in the selection and processing of statistics following the territorial identification parameters and upon local level transfer of data. Some indicators are kept for districts and some for municipalities with extended powers thus causing a lot of problems concerning population of data in the proper territory. The fact that borders of lower territorial administrative units extend to more higher units has also complicated the statistical data interpretation, not speaking about the fact that citizens are made to travel to more locations than one to deal with their administrative needs, etc.¹⁶

Citizens are forced to live in a very complicated and incomprehensible administrative structure. One cannot be surprised that some find it hard to **accept the public administration reform** and cast doubt over its true benefits. Those, who provide public services, complain about **difficulties to coordinate activities which are thus less efficient.** The fact that the Territorial Division Act of 1960 has remained in force caused an unwanted and complicated situation and the chances to remedy this situation keep shrinking.

Title and description of the objective

Title of the objective: *Harmonisation of administrative geography of the Czech Republic*

The key objective is to **simplify and streamline public governance at the territorial level** and create a unified, stable and acceptable administrative network. At the same time, it is necessary to **align the borders of territorial administrative units.**

Brief description of measures and activities to implement the task

Under the umbrella of this objective, we will primarily focus on the following activities :

- **Alternative solutions of the current situation** and potential ways of **streamlining and harmonisation of public services at the territorial level**, including the analysis of cost, benefits, and impact,

¹⁶ Source: Analysis of the public administration system – the current situation .

- **Debating the alternative solutions** with the relevant parties concerned and subsequent selection of the winning solution,
- **Drafting of relevant legislation** ,
- Implementation of the proposed solution.

The proposed solution is based on administrative units dedicated to public administration at the sub-regional level, which will become the backbone of the entire administrative network. At the moment, we perceive as best the higher territorial self-administrative units, which have proven as stable. Should we decide to introduce changes in their numbers, the impact on the established administrative structure will not be detrimental. It is, however, necessary to evaluate and compare this solution against other alternatives.

Responsible agency

Ministry of the Interior

Cooperating institutions

Territorial self-administrative units and relevant ministries of the Government

Specific objective 2.2 – Review and changes in the functions of the zoned towns

Context

Initially, the reason for establishing a modern system of statutory cities was to express the importance of selected larger towns and, to allow for their further zoning to municipal districts, and to establish relationship between towns and their districts.

Appointment of a town to a statutory town has become, however, a political decision, since there are no objective criteria for statutory towns. The number of statutory towns kept growing with the increasing number of amendments to the Act No. 128/2000 Coll., on Municipalities. Currently, there are 26 statutory towns, i.e. all towns counting over 40,000 inhabitants.¹⁷

There is no concept, however, of statutory towns and their properties. The main challenges have so far been the following:

- ✦ **Competences of municipal districts and parts are not unified,**
- ✦ **Some statutory towns are asymmetrically zoned,**
- ✦ The central authorities cannot **influence the extent of delegated powers performed** by the current municipal districts or parts since there is no detailed provision on how delegated powers should be delegated.

The above problems have had a negative impact on citizens and their orientation in the administrative system.

A properly functioning and efficient public administration must rely on a unified and stable administrative structure across the entire territory of the given country. That is why we shall focus on **public administration stability at territories of statutory towns and the Municipality of Prague, which are further divided** or planned to be divided in the future with all its legal consequences (on June 1, 2014, there were 26 such towns counting about 35 per cent of the Czech population).

Initially, the reason for establishing a modern system of statutory cities was to express the importance of selected larger towns and, to allow for their further zoning to municipal districts, and to establish relationship between towns and their districts. For many reasons, this vision was met only partially. Firstly, there **are no objective criteria set to determine, which town may become a statutory town**. Given the practice so far, the criterion related to the number of inhabitants (over 40,000) offers itself as the right one, but the concept of a statutory town as such will still depend on its administrative zoning to districts. There is therefore no point, apart from a symbolic gesture, to take towns, which are not further divided into districts, and give them a status of a statutory town.¹⁸

From the **public administration point of view** (delegated powers of municipalities), the challenge is **in the number of subjects, to which the statutory towns or the Municipality of Prague delegate their administrative powers and lack of units in their competence**. Municipal districts or parts of towns differ in their position vis a vis the central authorities and their competences differ even within one single town. It is a phenomenon, which needs to be removed. There is no obligation to delegate

¹⁷ Dle Sčítání lidu, domů a bytů 2011.

¹⁸ Source: Analysis of the public administration system – the current situation .

the same scope of delegated powers to all municipal districts, which would, in fact, act within the scope of competences of municipalities with extended powers. From the **territorial self-administration point of view** (independent powers of municipalities), the problems rests with the asymmetrical (partial) zoning of towns as a result of which one group of citizens enjoys higher self-administrative freedom than their neighbours from other parts of town, which are not administratively divided.

The recent trends show, that the number of statutory towns will increase in the future and these towns will not be comparable to the current statutory towns. Not all statutory towns function as municipal zones and their special position of a statutory town is therefore not justifiable by the factual difference of the public governance.¹⁹ In this situation, the key risk is **in the absence of detailed rules of delegation of delegated powers to** municipal districts or administrative parts of towns.

Title and description of the objective

Title of the objective: *Review and changes in the functions of the administratively divided towns*

The objective is to **streamline public governance in statutory towns and unify the scope of delegated powers** implemented by municipal district bodies so that the system of public governance becomes stable and comprehensible for the public. We shall return to the statutory towns their real social function and populate the existing legal provisions with valid contents.

Brief description of measures and activities to implement the task

Under the umbrella of this objective, we will primarily focus on the following activities :

- **Review of the current situation and selection of criteria for determining the status of a statutory town and the mode of its further administrative zoning,**
- **Unification of the scope of delegated powers** implemented by municipal district bodies,
- **Amendment of respective legislation** (especially the Act No. 128/2000 Coll., on Municipalities and Act No. 131/2000 Coll., on the Municipality of Prague).

It is expected that we will primarily proceed in line with the ideas of the towns themselves. They would be required to determine the district with extended powers adequate to the extended powers in other parts of the state. These parts of towns would be established by law and changes in their determination and their range of delegated powers would be possible only by law. Other parts of such towns would exercise delegated powers at the maximum extent comparable to standard municipalities. The zoning of towns in terms of separate powers would remain under full responsibility of statutory towns.²⁰

Responsible agency

Ministry of the Interior

Cooperating institutions

Territorial self-administrative units and relevant ministries of the Government

¹⁹ Source: Analysis of the public administration system – the current situation .

²⁰ Source: Analysis of the public administration system – the current situation .

Specific objective 2.3 – Optimized system of public contracts

Context

The concept of public contracts was introduced in 2002 in consequence of the implementation of the PA Reform Concept of 1999. It was embedded in the Act No. 128/2000 Coll., on Municipalities. It was planned as a **transitory measure to solve situations** in which some municipalities, after the termination of the district offices, **failed to perform their delegated powers in full scope and quality under the new conditions.**

The public contracts for coordination should be perceived as a special tool to be used solely for a definite period of time when the municipality fails to perform the public governance on its own. These contracts are useful for transitory situations or special cases and **should not be used as measures to solve weaknesses of the central regulation.**

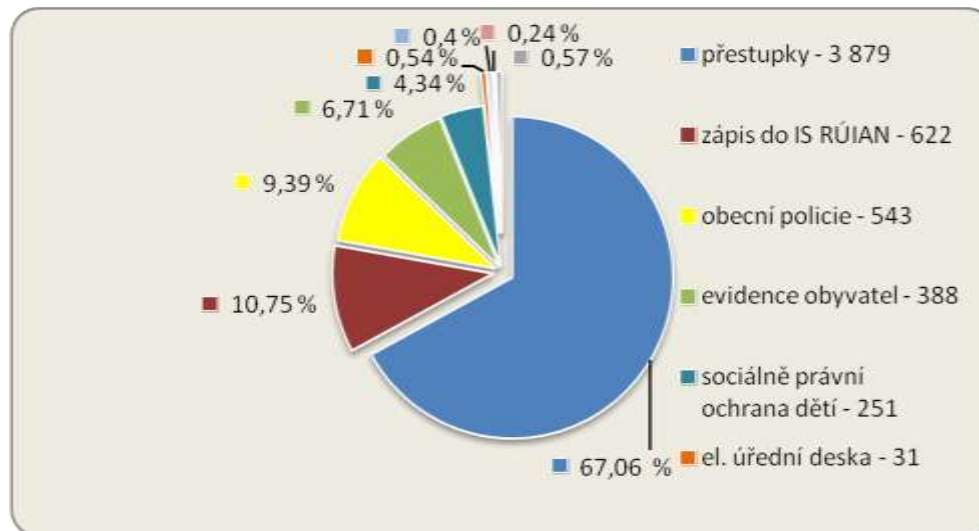
The key problems pertaining to the public contracts are as follows:

- **Overuse of public contracts;** administrative agenda is often and without any due reason transferred to another municipality,
- **Absence of a comprehensive system of information on public contracts concluded or terminated.**

The excessive use of public contracts for the purposes of delegating powers to other subjects than those determined by law has resulted in **incomprehensiveness of the delegated public governance.** **The entire system is incomprehensive and citizens often** lack information on who concluded a public contract, with whom and for what reason.

The current law allows for and therefore tolerates the excessive number of public contracts for coordination. It further complicates the system and contributes to its total incomprehensiveness, especially at the territorial level and in municipalities with the basic level of delegated powers (municipalities I.).

In general, we may say that the **number of public contracts keeps growing to our detriment.** In 2003, the authorities concluded altogether 3,738 public contracts, in 2010, it was 5,484 public contracts, and in 2012, it was already 5,784 public contracts. In most cases, these contracts concern delegated powers in respect of misdemeanour procedures.

The outline of public contracts for delegated powers in 2012

Source: Ministry of the Interior of the Czech Republic – statistics of public contracts submitted annually to the Ministry of the Interior by municipalities

Most contracts are concluded for an indefinite period of time, so there is no control over whether the public interest in the contract continues or not. The amount paid and the method of payment for performing the given delegated agenda are not embedded in any law and are therefore very inconsistent. The long-term or in fact permanent delegation of statutory powers of a municipality to other municipalities through public contracts may violate the principle of legal division of competences. This leads to incomprehensiveness, confusion and inconsistencies in the administration. As an example, we may use a public contract concluded to delegate powers concerning the misdemeanour proceedings, which have been entered into by a total of 68.7 per cent of municipalities. The misdemeanour related agenda is therefore performed at a completely different level of local public administration than regulated by provisions of the Act No. 200/1990 Coll., on Misdemeanours. It shall be a rule, that administrative proceedings should not be, without proper justification, delegated to other municipalities. 21

The current practice of publishing the **public contracts concluded** is also rather troublesome. Section 66c, Article 3 of the Municipal Act stipulates, that any public contract concluded shall be made publicly available at the municipal council of the municipality, which is a party to their contract. This practice, which has resulted in the absence of **comprehensive system of information on concluded and terminated public contracts**, makes the public governance incomprehensive. In practice, there are cases, when a public contract has expired and a new public contract to delegate the respective powers has not been concluded yet. Performance of such agenda is not, for the given period, secured.

Title and description of the objective

Title of the objective: *Optimized system of public contracts*

²¹ Source: Analysis of the public administration system – the current situation .

The objective is to optimise the **system of public contracts** in order to increase **comprehensiveness of the public administration system at the territorial level**.²² Furthermore, we strive to increase **transparency of the public contract system** from the citizen's point of view.

Brief description of measures and activities to implement the task

Under the umbrella of this objective, we will primarily focus on the following activities :

- **Review and amendment of rules for concluding** public contracts,
- **Improved system and implementation of oversight and control** of delegated public governance at the regional level,
- Introduction of rules and **system for publication of** public contracts,
- **Amendment of the respective legislation.**

The legislative solution - in particular the amendment of Act No. 128/2000 Coll. , on Municipalities (local government) - will also contain transitional provisions for current contracts concluded for an indefinite period. Implementation of this goal is to some extent linked to the implementation of the previous two specific objectives, i.e. 2.1: Harmonisation of administrative geography of the Czech Republic and 2.2: Review and changes in the functions of the administratively divided towns.

Responsible agency

Ministry of the Interior

Cooperating institutions

Territorial self-administrative units

Specific objective 2.4 – Modification and streamlining of the public administration system of financing of agendas performed in delegated powers

Context

The state **contributes to costs borne by towns and municipalities** in relation to the delegated public governance. These contributions are designed to partially cover costs borne by the territorial self-administration in their performance. These costs are to be understood primarily as wages, and operational costs related to employees responsible for the public agendas. The contribution is in a form of a subsidy, which is not targeted and the use of which is by large up to the territorial self-administration body and its preferences.

Municipalities are, in respect of the public governance, also recipients of administrative fees and late payment charges. In this context, we shall take note of Section 9, Article 1(a) of the Act No. 250/2000 Coll., on Budgetary rules of territorial budgets, which reads as follows: *“the municipal budget shall cover costs related to the public governance, which is entrusted to the municipality by law “*. This clearly shows, that **public governance related costs shall be covered (and it is expected) also from other municipal income**.

The “state” therefore doesn't know, **to which extent and for which purposes and agendas the municipality wishes to use the subsidies received and whether the subsidies are or are not used efficiently and in purpose**.

²² This Specific Objective concerns public contracts in respect of the delegated powers.

In brief, the key challenges of financing of the delegated powers in public governance are as follows:

- **Inefficient and non-transparent allocation of financing** to cover the public governance related costs,
- **The absence of feedback** on how much the delegated powers of public governance actuals cost and whether they are efficient,
- **Difficulties to quantify changes** in the performance of delegated powers of the public governance.

This situation has had a negative impact primarily on transparency of the delegated powers of the public governance, their efficiency, economy, and effectiveness as well as on the public budget, respectively budgets of territorial self-governing units.

The state contribution to the performance of delegated powers of the public governance by selected territorial self-governing units can be used for other purposes but financing of the delegated powers of the public governance and, on the other hand, some municipalities can be forced to cover their costs related to the delegated powers of the public governance from their budget primarily designed to cover costs of self-administration. There is **no feedback on how much the performance of delegated powers of the public governance actually cost.**

It is also hard, with the help of the current methodology, to **quantify changes** in the performance of delegated powers of the public governance. In 2008 to 2010, the subsidy was increased three times (in 2010, the contribution was increased for all municipalities with the exception of the higher territorial self-administrative units). In 2011, the contribution was reduced due to the austerity measures by 17,6 per cent (in respect of the regional authorities, it was only 8,7 per cent

These one-off and non-systemic interventions in the scope of the contributions caused, due to of the scope and structure of the delegated powers, the inability to identify cost of performance of agendas at individual categories of municipalities. One-off interventions resulting in the increased/reduced number of agendas performed by the authorities in their delegated powers can be hardly reflected in the current system, because we have no idea of the volume of financing from the current contribution attributable to particular agendas (activities). At the same time, the current methodology for determining the contribution does not permit proportionately adjusted allocation of funds towards the changes made in the range of competencies exercised in delegated powers. This situation is also unsatisfactory in cases where there is a transfer of activities among the territorial self-administrative units (municipal categories) or territorial self-administrative units and the state, as was the case in the context of the social reform introduced by the Ministry of Labour and Social Affairs.

Title and description of the objective

Title: *Modification and streamlining of the public administration system of financing of agendas performed in delegated powers*

The objective is to increase efficiency and transparency of financing of delegated powers of public governance at the territorial level and removal of shortcomings of the current system of financing.

Brief description of measures and activities to implement the task

Under the umbrella of this objective, we will primarily focus on the following activities :

- **Validation and development of the already existing alternatives of the system of financing of delegated powers of public governance**, including the relevant backup analyses (targeting primarily costs, benefits and impact),
- **Development of alternative solutions to change the system of financing of delegated powers of public governance**, including the relevant backup analyses (targeting primarily costs, benefits and impact),
- **Debating the alternative solutions with the relevant parties concerned and subsequent selection of the winning solution**,
- Implementation of the proposed solution.

At the moment, we consider **changing the methodology** of allocating contributions to financing of delegated powers of public governance as a transitory measure before drafting a new model of financing of delegated powers of public governance.

In the first phase, we have considered changing the methodology so that the allocation of financing of delegated powers of public governance reflects the level of demand the agendas pose on the given category of municipalities. This would allow us to more flexibly react to changes in the extent of delegated powers. After the changes, the methodology should be more comprehensive and transparent. It should allow for the use of data from the Central registry of inhabitants. The above modification of methodology would require an analysis of demand and cost intensity of performance of delegated powers of public governance at individual categories of territorial self-administration.

The subsequent drawing up of a new model of financing would be closely linked the output of the Specific Objective 1.1: Use of process management elements and introduction of standards for selected agendas. The agenda performance standards would form a basis for a new concept of public governance.

We assume that the costs of the delegated public governance by the territorial self-governing bodies would be covered by the central government in line with the real activities performed and based on a cost model drawn up to each agenda standard.

The following activity concerns a new system of payment of financing from the central budget to the territorial self-governing bodies. This system must be as efficient as possible to minimise cost related to the re-allocation of financing. It is necessary to start working on it before the cost models are completed so that the cost effectiveness of the system is known and verified first in order to leave space for further modifications of the methodology of allocating the current contribution.

The proposed model of funding will be effective only should the saved funds generated through the introduction of financing standards would be higher than the cost of redistribution and control of the funds, which are compiled in the proposed funding model. Moreover, we may disclose that many agendas may be difficult to standardize, especially if they concern control activities concern length and scope of the administrative procedure.

The new model of financing of the delegated public governance will also be difficult to apply should we maintain the current structure of territorial public administration, which is made up, in respect of the public governance, of self-governing bodies at different levels (see also specific objectives 2.1: Harmonisation of administrative geography of the Czech Republic and 2.2: Review and changes in the functions of the administratively zoned towns).

Responsible agency

Ministry of the Interior / Ministry of Finance

Cooperating institutions

Territorial self-administrative units and relevant ministries of the Government

Specific objective 2.5 – Reduction of the risk of insolvency of territorial self-administration

Context

The territorial self-governing units (especially small municipalities) are at **risk of insolvency**, primarily for the following reasons:

- **Lack of resources** to implement larger investments (especially in respect of small municipalities),
- **Low expertise, professional knowledge, and specialisation of municipal bodies**,
- **Absence of legislation** necessary for municipalities to enter insolvency proceedings and solve their financial problems.

In the Czech Republic, 18 per cent of municipalities count less than 1,000 inhabitants. These municipalities usually **lack resources** to implement larger investments. Size is not, however, the only problems. The territorial self-administration suffers from **low financial autonomy**. Moreover, the smaller the municipality, the lower the expertise, professional knowledge, and specialisation of its administrative bodies.

The combination of these factors, especially in respect of small municipalities, **results in insolvency of the self-governing unit**.²³ Insolvency means that the municipality is no longer able to meet its financial obligations and provide basic services to its inhabitants. One of the serious consequences of insolvency is that its **inhabitants tend to lose interest in the public governance** - there is no list of candidates for the municipal elections, etc. In case the inhabitants lose their interest to this extent, the **central government must step in** (in case of no elections, the Ministry of the Interior appoints a person to manage the municipality), and the government authorities will have to take over from the respective municipalities their self-governing powers and responsibilities.

The Act No. 182/2006 Coll., on Insolvency (the Insolvency Act), which determines ways insolvency procedure and pending insolvency of debtors by means of court proceedings to manage debt and facilitate compensation of persons concerned with the debtors insolvency or pending insolvency, **excludes municipalities from its scope**. It means that municipalities, which are no longer able to meet its financial obligations, **cannot enter the insolvency procedure to manage their financial problems**.

The Ministry of Finance estimates that the number of municipalities (especially the smaller ones) which will experience financial problems, will not be able to meet their financial obligations and pay their loans (originated from pre-financing of projects financed from the Structural Funds, implementation of projects covered from ex-budget resources, etc.).²⁴

²³ The risk is now higher with municipalities, but it may concern regions as well.

²⁴ Source: Analysis of the public administration system – the current situation .

Title and description of the objective

Title: *Reduction of the risk of insolvency of territorial self-administration*

The objective is to **reduce the risk of insolvency of territorial self-administration**, especially via the **increased professionalism and expertise** of the **territorial self-administration** especially in the context of financial management as well as the **increased autonomy of the territorial self-administration**. We also **strive to set the rules of insolvency procedure** of the territorial self-administration **in bankruptcy**.

Brief description of measures and activities to implement the task

Under the umbrella of this objective, we will primarily focus on the following activities :

- **Improved training of civil servants and territorial self-administrative bodies' staff in the field of financial management** – representatives of the self-administrative bodies should gain knowledge of accounting, budgeting, control, public procurement, etc. to be able to analyse financial risks of intended investment and non-investment projects and to plan the long-term development of the territory and assets under their responsibility,
- **Drafting of analyses and alternatives of potential increase of financial autonomy** (e.g. by the introduction of local taxes, increased powers of municipalities in influencing their tax income, etc.),
- **Debating the alternative solutions with the relevant parties concerned and subsequent selection of the winning solution and its implementation,**
- **Determining of rules and alternative ways of insolvency procedures in respect of territorial self-governing bodies** and their implementation.

By allowing bankruptcy of local governments, respectively by determining the method of resolving insolvency, we can give the territorial self-governing body in bankruptcy an opportunity to organize its financial relationship with persons affected by the bankruptcy (bankruptcy of local government should be seen as a solution a serious economic situation leading to the renewal of self-governing functions, not as a restriction or disposal of local self- government).

Yet another possible way of achieving the above objective is to merge, in case of repeated failure to execute elections to the municipal bodies, the municipality with another municipality. Unfortunately, insolvency of local governments often causes lack of interest of citizens in participation in the elected bodies. The merge of the municipality with another municipality can be rejected by the citizens' vote in a local referendum.

Issues related to municipal bankruptcy are under the responsibility of a working group established by the Ministry of Finance, whose members are also representatives of the Ministry of the Interior, Ministry of Justice, the Association of Towns and Municipalities, the Association of Regions and the Association of Local Authorities of the Czech Republic. The planned result of the activities of this working group will be the "Analysis of insolvency of territorial self-governing units", which will define the most appropriate ways to address the bankruptcy of the municipality. It is expected that based on the result of the analysis, the Ministry of Justice will draw up a draft amendment to the Insolvency Act.

Responsible agency

Ministry of the Interior / Ministry of Finance / Ministry of Justice

Cooperating institutions

Territorial self-administrative units

Strategic Objective No. 3: Increased Public Administration Accessibility and Transparency through eGovernment

Context

In the 2007 to 2013 Programming Period, we implemented (and are still implementing) a number of significant projects in the field of eGovernment, both at the level of the central government as well as regions and municipalities. **Even though our eGovernment efforts have been by large successful,** we have detected a number of strategic and conceptual deficiencies. On top of it, the **eGovernment infrastructure has not been completed yet.**

The fact, that the process has not yet been completed, has had **a negative impact on the effectiveness and transparency of activities and services** provided to citizens, the business community and other customers of the public administration.

The Ministry of Finance is, as an agency responsible for information systems in respect of the financial management, taxes, the treasury, registration of procurement and sale of property, and other ICT support concerning management processes at the central government level, responsible for processing, handling, and archiving of data, which we share with the EU institutions. The Ministry of Finance is also responsible for the backbone infrastructure for services used by the central government agencies.

The Ministry of the Interior is responsible for publicly accessible information systems and the backbone infrastructure for systems used by citizens as well as physical and legal persons.

Title and description of the objective

Title of the objective: *Increased public administration accessibility and transparency through eGovernment*

The objective is to **increase accessibility and transparency of public administration through the eGovernment tools and their increased efficiency.** We strive to introduce “friendly and accessible public governance “ with comprehensible output, which will **increase the use of eGovernment services and comfort of users of public services when it comes to their life situations.**

Specific objectives implementing the strategic objective

There is only one Specific Objective - linked to this Strategic Objective – To complete a workable eGovernment framework and to implement the following measures and activities:

- **To finish developing the eGovernment infrastructure,**
- **Introduction of concepts necessary for the proper functioning of eGovernment** and implementation of ICT projects,
- Drafting of a strategic document – **Strategy of management of investments to ICT,**
- **Promotion of the open data principle,**
- **Development, connectivity, and consolidation of public administration data fund** and its efficient and secure use for individual agendas as well as at the „open data“ principle,
- **To finish developing information and communication systems** of public administration and to implement security measures pursuant to the Cyber Security Act,
- To equip central government bodies to facilitate their **protection of ICT infrastructure,**
- **To amend relevant eGovernment related legislation.**

Specific objective 3.1 – Completion of a workable eGovernment structure

Context

In the 2007 to 2013 Programming Period, we implemented (and are still implementing) a number of significant projects in the field of eGovernment, financed primarily from the Integrated Operational programme, both at the level of the central government as well as regions and municipalities. **Even though our eGovernment efforts have been by large successful**, we have detected a number of **technical and conceptual problems** (poorly coordinated projects, absence of security standards, non-transparent legislation, etc.). On top of it, the eGovernment infrastructure has not been completed yet.

The fact, that the process has not yet been completed, has had **a negative impact on the effectiveness and transparency of the public administration** and on quality of public governance targeting citizens, the business community and other public governance recipients.

The four key projects mentioned above have been as follows: (i) implementation of a system of central registries to serve as storages of data with guaranteed correctness; (ii) implementation of a network of Czech POINTs – over 7,000 points offering assisted services to clients; (iii) establishment of data boxes as a government guaranteed tool of electronic communication, and (iv) implementation of the Public Administration Portal.

The Czech eGovernment system is based on four tiers and this four-tier principle shall be used in the further development of the system while respecting the technical parameters and other aspects. The eGovernment architecture can be in brief described as follows:

1st tier provides services to citizens while the 2nd to 4th tiers act as support of these services;

2nd tier comprises of software necessary to provide services of public governance (e.g. software of the information system of data boxes);

3rd tier comprises of technology centres and data storages;

4th tier comprises of communication infrastructure, primarily the public administration data network (e.g. public administration communication infrastructure).

Further development of eGovernment shall derive from the plans and concepts of eGovernment development under the Smart Administration Strategy.

Even though our eGovernment efforts have been by large successful, there have been many **technical and conceptual problems**, primarily in the following areas:

- ✦ **The implementation of ICT projects has been, by large, uncoordinated.** It lacks technical compatibility and has failed to respect the four-tier architecture. Authorities do not share information on projects under implementation. The eGovernment development process is fragmented and its potential is largely limited (data cannot be shared and must be repeatedly provided by applicants). There are only limited agendas, in the context of which citizens can make a fully (or partially) electronic submission to the public administration bodies.

There is a number of activities, which would benefit from the introduction of modern ICT methods, but the methods have not been introduced yet (e.g. modern information technology to improve operational information systems. In the long-term perspective, some activities and agendas keep losing their quality. The system of electronic identification and authentication has not been completed either. Its use in the Czech Republic and towards the

EU is limited to the minimum and there are no savings as expected (e.g. citizens cannot identify themselves on-line with the help of an electronic identification card).

The system has also suffered from the absence of certain necessary systems and data, the non-existence of which limits the workability of the already implemented projects and decelerates the development and full implementation of other eGovernment services (e.g. the absence of an official database on laws and bylaws).

- **The authorities failed to introduce proper standards of cyber security of (primarily) the critical infrastructure.** There are only 4 public administration bodies, which currently comply with standards as required by the Cyber Security Act, as amended (in force as of January 1st, 2015). The 26 to 30 public administration bodies, which currently do not comply with these provisions, will have to work hard to secure compliance before 2015. Security of the data contained in the systems is now under high risk.
- **The open data principle²⁵ has not been properly applied yet** (currently, there are solely 25 public administration data sets), even though the Czech Republic has joined a number of initiatives in support of this principle (e.g. the Open Government Partnership). There are data, created by the public administration, which are not (and should be) accessible to the citizens for further use.
- **The rapid development of ICT lacks subsequent adequate and expedient reaction in the form of amended or new legislation** thus reducing the use of the new technology. There is a danger that the eGovernment technology solutions will not be backed with quality legislation.
- **There are limited conditions for the development of eGovernment in transparent and competitive environment** (licencing limitations) and the 3E principles are often violated. The implemented ICT projects are often too costly or implemented with delay. Some have even been counterproductive.

Title and description of the objective

Title of the objective: *Completion of the workable eGovernment structure*

The objective is to **create comprehensible, transparent, and flexible environment and legislative and institutional conditions necessary for proper and smooth development of eGovernment** while facilitating maximum use of its benefits.

Brief description of measures and activities to implement the task

Under the umbrella of this objective, we will primarily focus on the following activities:

- **To manage the development of workable eGovernment infrastructure** in its all four tiers and to implement the necessary information systems while upholding cyber security standards as regulated by the relevant law and applying the open data principle,
- **To finish developing information and communication systems** of public administration and to implement security measures pursuant to the Cyber Security Act,

²⁵ "Open data" are data disseminated on the Internet by ways which do not limit any users in their use of this data (neither technical limitations nor legislative obstacles) and allow for further dissemination by all users, under the condition that the author of the data will be always published.

- **Implementation** of workable, unified, government guaranteed and EU interoperable **system of electronic identification, authentication, and authorisation for the key agenda and operational information systems** kept by the public administration bodies in line with principles guided by the EU Electronic Identification and Signature regulation,
- **Development, connectivity, and consolidation of public administration data fund** and its efficient and secure use for individual agendas as well as at the „open data“ approach based on the principle of sharing the once submitted data for the purposes of their use by other public administration bodies but the one the data had been submitted as well as by subjects outside the public administration, primarily for the purposes of the full electronic submission of applications and other matter²⁶ related to selected agendas, electronic agendas (e.g. eEducation, eCulture, eHealth, eInclusion, eCommerce, eBusiness, eJustice, eProcurement, eLegislation, eCollection)²⁷, including support tools such as, for example, data storages and network, modernisation of information and communication systems for the specific needs of the public administration and elements of the Integrated Emergency System, security systems in the judiciary and the Prison Service , traffic systems, warning systems, etc..
- **To equip central government bodies to facilitate their protection of ICT infrastructure**, including secure and managed sharing of public administration related data in keeping with the Cyber Security Act (inducing communication and radio-communication infrastructure at the central level),
- **Introduction of concepts necessary for the proper functioning of eGovernment and implementation of ICT projects** to make sure that the Ministry of the Interior (respectively the Office of the System Architect) be able to secure consistency of the architecture of eGovernment elements already in operation by means of positions made by the Office of the System Architect to all ICT projects in the public administration environment (Ministry of the Interior and other central public bodies) without respect to their financing; ICT projects in the public administration will be coordinated to operate on a more flexible and transparent interagency platform and under the supervision of the Prime Minister backed by a pool of Ministry of the Interior experts,
- **Amendment of the current legislation** guiding eGovernment. We shall strive to increase clarity of the current provisions and introduce new laws and bylaws to secure compliance of projects implemented with the law,
- **Drafting of a strategy** (concept) to introduce binding conditions of compliance of ICT with the 3E principle,
- **Promotion of the open data principle**, especially in respect to the application practice.

²⁶ One of the conditions of implementation of full electronic submission is the connectivity of electronic forms in the Czech POINT environment to ISDS in combination with an amendment to the legal provisions guiding the issue of local competence so that the process of full electronic submission may operate alternatively also via the assisted Czech POINTS as close to the citizen's home as possible. In this context, we shall also tackle the issue of remunerating the contact points for services provided with their help.

²⁷ Most measures shall be implemented in a form of description of the current situation, its risk analysis, description of the TO-BE situation with respect to the architecture, and a set of transitory projects enabling the progress from AS-IS to TO-BE.

Responsible agency

Ministry of the Interior

Cooperating institutions

Central public administration bodies in cooperation with the territorial self-administrative units

Strategic Objective No. 4: Development of Professional Human Resources in the Public Administration

Context

The Czech Republic has been the only EU member state not regulating the status of civil servants. The European Commission has repeatedly commented on this unsatisfactory situation. For the above reasons, the **implementation of a Civil Service Act has become one of the key Government priorities for 2014**. We shall, as an integral part of our efforts, establish and regulate a management and control body in charge of concepts, methodologies, management and control of public authorities, i.e. a department of the Ministry of the Interior responsible for the public service. To design its role and to introduce a system of efficient development and management of human resources we need the following:

- **Adequate backup analyses** and related **guidelines and methodology**,
- Subsequent setting up of relevant **processes and related service rules**.

One of the most important aspects and conditions of high quality public governance is the development and management of human resources. **The current system of development and management of human resources** requires changes in the **following areas**:

- **Low efficiency** as one of the key reasons for high fluctuation of employees especially in some areas and offices. Low efficiency also has a negative impact **on** quality of work of employees concerned who lack experience and sense of continuity. We shall strive to a well-established system of motivation and remuneration of civil servants,
- **The current system of education of civil servants**²⁸ does not contribute to an equal level of proficiency and expertise,
- **Following to the implementation of the Civil Service Act, we will be forced to introduce substantial changes**.

Title and description of the objective

Title: *Development of professional human resources in the public administration*

The objective is to secure **stable, professional, and high quality public governance** by means of the **implementation of the Civil Service Act** and the **development and efficient management of human resources**.

Specific objectives implementing the strategic objective

This Strategic Objective requires implementation of two Specific Objectives and related measures and activities:

Specific objective 4.1: Implementation of the Civil Service Act

- **Introduction of a central managerial body responsible for management, methodology, concepts, coordination, and control of the public administration** (the department of the

²⁸ Regulated by the Government Decree of November 30, 2005 No. 1542, to Rules of education and training of employees of administrative authorities.

Ministry of the Interior responsible for the public service, in line with the current draft of the Civil Service Act),

- Drawing up of **adequate backup analyses, organisational, financial, personnel, and education processes in the public administration** and related **guidelines and methodology**,
- **Drawing up of service rules** to describe processes pertaining to the Civil Service Act.

Specific objective 4.2 Management and development of human resources in the public administration

- **Drawing up of analyses** of the current status of personnel related processes in the public administration,
- **Drafting and setting up of a system of all relevant processes in the field of human resources management** in administrative authorities and related methodologies,
- **Adequate ICT support** of human resources management,
- **Review and changes of the system of education** at the level of administrative authorities,
- **Drawing up of service rules** to describe and define processes (procedures) of the Civil Service Act.

Specific objective 4.1 – Implementation of the Civil Service Act

Context

The Czech Republic has been the only EU member state not regulating the status of civil servants. The European Commission has repeatedly commented on this unsatisfactory situation. For the above reasons, the **implementation of a Civil Service Act has become one of the key Government priorities for 2014.**

The development of the Civil Service Act has been divided into the legislative and implementation part, all in line with the timetable adopted by the Government.²⁹ Currently (August 2014), we are nearing the completion of the legislative phase. **The Strategic Framework therefore targets primarily the implementation phase.** As part of the development of the Act, we shall decide on the establishment and regulation of a management authority, i.e. a department of the Ministry of the Interior in charge of the supervision of the public service.

To determine the role of this authority and to secure high quality management and development of human resources, we, however, lack the following:

- **adequate backup analyses** and related **guidelines and methodology,**
- subsequent setting up of relevant **processes and related service rules.**

High quality and carefully drafted regulation guiding rights and responsibilities of civil servants is definitely one of the building stones of stable, professional, quality, and efficient public administration, Public servants have more responsibilities and rights than employees whose employment is regulated by the Employment Code. The public administration shall make sure that citizens **receive high quality services provided by civil servants who comply** with the Czech legislation and operate in the interest of the Czech Republic.

The extended rights and responsibilities of civil servants require larger competences since some of the civil servants' rights are „de legis“ limited. Public servants' activities and their corresponding responsibilities are much higher than with other professions. Making decisions concerning rights of other individuals or institutions may have, in many aspects, an irrevocable impact on their life or operations and the importance of such decisions is definitely substantial.

Transparency, continuity and predictability of law form another inseparable pillar of the public administration. The role of high quality staff is indispensable here as well. Public servants should have adequate conditions for their work. In this respect, we shall strive to improve the organisational structure and relations within the public service and to provide for legal protection of civil servants against interests and influence exerted from the outside.³⁰

The current draft Civil Service Act³¹ is a good basis for the implementation of new processes in the public administration. The current draft text of the Civil Service Act is the result of coalition

²⁹ Government Decree of May 5, 2014 No. 325, to the Timetable of Implementation of Amendment to the Civil Service Act.

³⁰ Source: Analysis of the public administration system – the current situation .

³¹ For more, see: www.statnisluzba.cz/dokumenty

negotiations and subsequent coalition agreement of the government parties, experts, NGOs, and social partners. The third reading of the draft bill in the Parliament of the Czech Republic took place at the turn of July and August 2014..

The key principles of the Civil Service Act shall comply with the requirements of the European Commission and other EU bodies and institutions. That is why we have led a number of talks and negotiations at the ministerial level:³²

- **institutional competences** – list of subjects concerned by the Civil Service Act,
- **personnel competences** – clear definition of a civil servant under the Civil Service Act and an employee in the public administration system under the Employment Code,
- **rights and responsibilities** – the Civil Service Act includes a list of rights and responsibilities of civil servants and sanctions for non-compliance,
- **remuneration system** – in line with the coalition agreement, the remuneration system will be set as of January 1, 2015; employment contract based wages will be removed, there will be maximum level of benefits set, and professional practice will be calculated in the wage categories,
- **compensations** – compensations (benefits) are not included in the draft bill,
- **the department of the Ministry of the Interior responsible for the public service** – a managerial body responsible for methodology, coordination, and control of the public administration; it is planned as of the 3rd quarter of 2014,
- **transparent recruitment process** – the Civil Service Act stipulates a three-round recruitment process to facilitate professional and career growth of civil servants,
- **anti-corruption mechanisms**– the Civil Service Act includes provisions for the protection of whistle-blowers and civil servants, there will be an internal service regulation drafted in this respect,
- **system of complex education and training** – the Civil Service Act includes provisions concerning education, training and professional growth of civil servants; the general part of the civil servant exam will be guided by an internal service regulation and the respective authority will issue guidelines to implement individual types of education and training of civil servants,
- **complex employment concept** – the Civil Service Act includes provisions guiding the entire employment process from the recruitment to employment and termination of employment, etc.,
- **structured system** – the Civil Service Act will stipulate binding rules pertaining to the organisational structure and system of administrative authorities (single terminology, signposting, rules determining the number of staff at various levels, etc.),

Title and description of the objective

Title of the objective: *Implementation of the Civil Service Act*

³² For more, see the Government decree of May 28, 2014 No. 406 on the Mandate to the Minister for Human Rights, Equal opportunities, and Legislation to negotiate the Civil Service Act with the European Commission.

The objective is the full and **successful implementation of Civil Service Act and its** full operability within the system of public administration in the Czech Republic. The Civil Service Act is a key condition for the introduction of **stable, professional, and efficient public administration** in the Czech Republic.

Brief description of measures and activities to implement the task

Pursuant to the adoption of the Civil Service Act, we shall implement the following activities:

- **Introduction of a central managerial body responsible for management, methodology, concepts, coordination, and control of the public administration** (the department of the Ministry of the Interior responsible for the public service, in line with the current draft of the Civil Service Act),
- Drawing up of **adequate backup analyses, organisational, financial, personnel, and education processes in the public administration** and related **guidelines and methodology**,
- **Drawing up of service rules** to describe processes pertaining to the Civil Service Act.

The key prerequisite for the implementation of this objective is the **adoption of the amendment of the Civil Service Act**.

The process of drawing up of necessary service rules must be backed up with analyses of public administration functioning, which will be drafted with the help of experts on public administration and public services, representatives of the trade unions, the academia, and NGOs.³³

The implementation of this Specific Objective is closely related to the implementation of the Specific Objective 4.2: Management and development of human resources in the public administration.

Responsible agency

Department of the Ministry of the Interior in charge of the public services

Cooperating institutions

Subjects concerned with the Civil Service Act.

³³ We have submitted to the Government an Information on collection of data in order to introduce a system of ministries, central public authorities, and other administrative authorities, an activity based on the Government decree of April 16, 2014 No. 270, on Collection of data for the purposes of introducing of central public administration and other administrative authorities. Other analyses are pending.

Specific objective 4.2 – Management and development of human resources in the public administration

Context

One of the most important aspects and conditions of high quality public governance is the development and management of human resources. **The current system of development and management of human resources** requires changes in the **following areas**:

- **Low efficiency** as one of the key reasons for high fluctuation of employees especially in some areas and offices. Low efficiency also has a negative impact **on** quality of work of employees concerned who lack experience and sense of continuity. We shall strive to a well-established system of motivation and remuneration of civil servants,
- **The current system of education of civil servants**³⁴ does not contribute to an equal level of proficiency and expertise,
- **Following to the implementation of the Civil Service Act, we will be forced to introduce substantial changes.**

We assume that the legislative process of amending the Civil Service Act No. 218/2002 Coll. will be soon completed. Responsibility for personnel related issues and education at all service levels (ministries, public administration bodies and other administrative authorities) will be entrusted in the hands of the newly established department of the Ministry of the Interior, which will be responsible for the public service. The newly established department will be in charge of drawing up analyses, methodologies, and implementing rules to interpret provisions of the Civil Service Act. Management of human resources and their development will have a significant impact on the development in this field and specific objectives defined by the Strategic Framework will be implemented in line with the selected managerial style as well as with the bylaws adopted for the purposes or management and development of human resources.

Title and description of the objective

Title of the objective: *Management and development of human resources in the public administration*

The key objective is to create a **workable and efficient single system of most important personnel related processes** across the individual services (administrative authorities) while respecting their specific features and needs – recruitment and recruitment and selection processes, evaluation, education, sanctions for noncompliance, organisational structure, second instance appellate body, etc.

Brief description of measures and activities to implement the task

Pursuant to the adoption of the Civil Service Act and in coordination with activities implemented under the umbrella of the Specific Objective 4.1: Implementation of the Civil Service Act, we shall primarily implement the following activities:

³⁴ Regulated by the Government Decree of November 30, 2005 No. 1542, to Rules of education and training of employees of administrative authorities.

- **Drawing up of analyses** of the current status of personnel related processes in the public administration,
- **Drafting and setting up of a system of all relevant processes in the field of human resources management** in administrative authorities and related methodologies,
- **Adequate ICT support** of human resources management,
- **Review and changes of the system of education** at the level of administrative authorities,
- **Drawing up of service rules** to describe and define processes (procedures) of the Civil Service Act.

Basic principles for the implementation of the above activities in these areas will be guided by the Civil Service Act. The principles will be subsequently defined in methodologies and service rules developed by the new department of the Ministry of the Interior responsible for the public service, which will become a management, coordination, methodological and control authority.

Training of civil servants will be completely reworked in accordance with the Civil Service Act. The new department of the Ministry of the Interior responsible for the public service will be responsible for the preparation and implementation of the general part of the service exam and will draft guidelines for the special part of the exam, further education of civil servants in the field of government priorities, cross-cutting issues and more. Individual administrative authorities will keep their competences for professional / expert training. We plan to reduce the outsourcing of education – the department of the Ministry of the Interior in charge of the public services will appoint a pool of lecturers, experts in various fields of service, who will instruct across the entire public administration.

Responsible agency

The department of the Ministry of the Interior responsible for the public service

Cooperating institutions

Subjects concerned with the Civil Service Act.

5. IMPLEMENTATION OF THE STRATEGIC NETWORK

5.1. Implementation Process

Chapter 2.1: Reasons and circumstances for the drafting of the Strategic Framework indicate in detail the process of updating and continuous evaluation of the Strategic Framework. The Ministry of the Interior shall subsequently draw up detailed implementing plans. There shall be an implementing plan drawn up for each Strategic Objective (i.e. there will be in total four such plans), which will be implemented in two-year intervals and subsequently evaluated. Each implementing plan shall include the following:

- A hierarchical structure of activities (measures, etc.) to implement the given objective,
- A timetable of implementation of individual measures, activities, etc.,
- Allocation of responsibilities for individual activities, measures, etc.,
- Budget and sources of financing,
- Management processes and the organisational structure of the implementation process,
- Description of risks involved in the implementation of individual objectives (measures and activities) and related risk management processes,
- Monitoring and evaluation procedures.

If needed, we will draw up alternative solutions to every objective (measure). We will also evaluate costs, benefits and impact of the implementation of individual measures and activities. Should we decide to introduce new support (ICT) tools, we will evaluate the current status and respect the already established a working solutions.

Last but not least, we will develop a set of indicators to assist the evaluation process of the Strategic Framework. In the implementation plan, the individual strategic and specific objectives set out in the Strategic Framework will be assigned corresponding indicators (it is expected that they will be broken down to context, output, outcome, and impact indicators). The implementation plans will also set the target values or qualitative criteria of compliance, in particular in respect of the set budget, timetable, and risks related to the implementation of the given objective. When drawing up the implementing plans, we will use the assessment of interventions implemented in the Operational Programme Human Resources and Employment Operational Programme and the Integrated Operational Programme programming period of 2007 to 2013.

The implementing plans shall be drawn up by the Ministry of the Interior in cooperation with the Office of the Government of the Czech Republic, department of the Ministry of the Interior responsible for the public services, and other public bodies involved in the process of implementation of the Strategic Framework. **The implementing plans will be drawn up before the end of 2014.**

5.2. Structure of the Implementation

The interagency character of this document poses high demand on management and implementation of the proposed activities. Implementation of the proposed objectives depends on the coordination of the entire public sector and therefore it is necessary to involve not only the central government bodies, but also representatives of local public administration as they represent

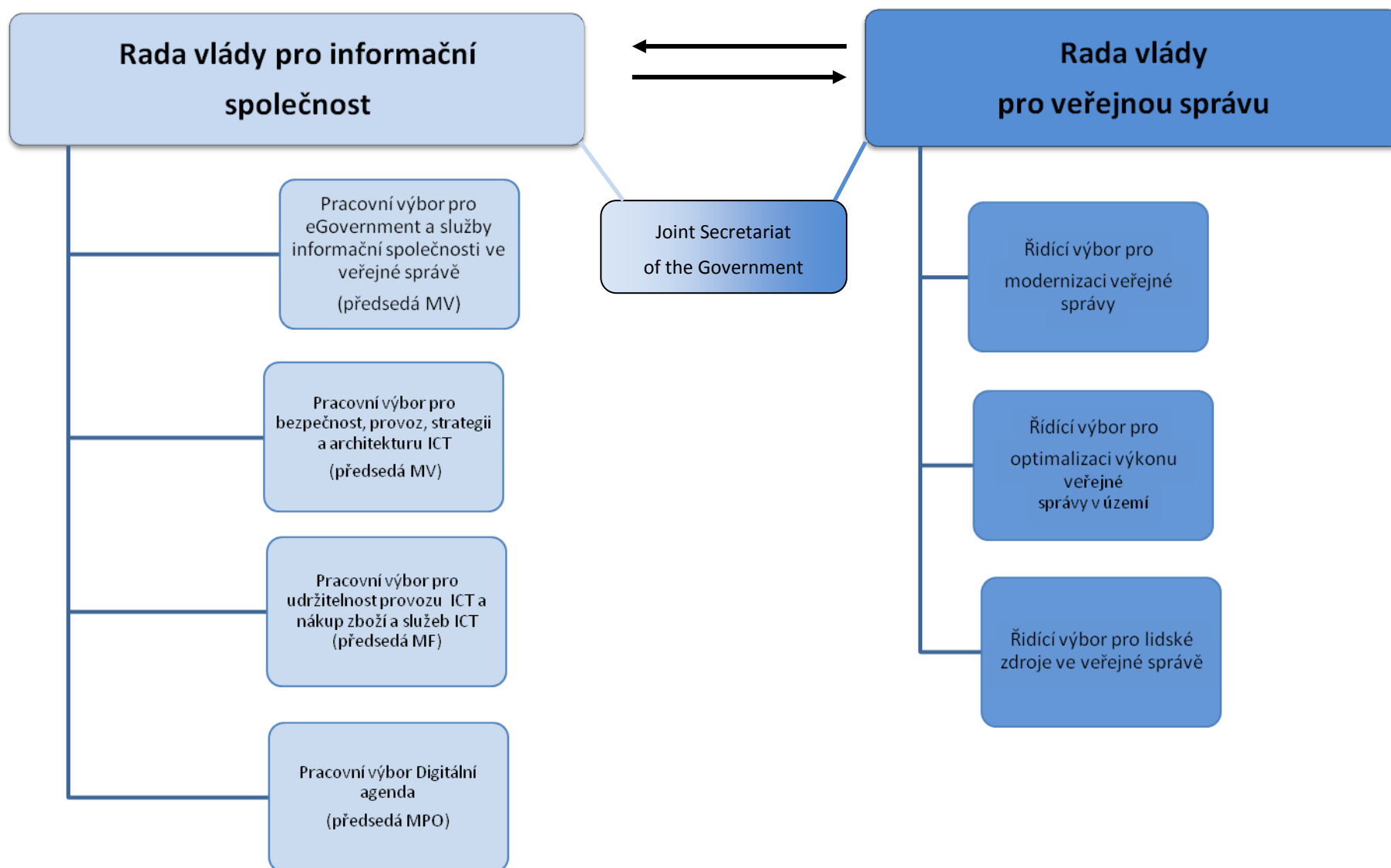
a significant part of the public administration system in the Czech Republic and bear responsibility for its proper functioning.

The cross-cutting modernization of the public administration also requires strong support from the Czech Government. Therefore, we propose to establish, for the purposes of implementation and management of the Strategic Framework, a Government Council for Public Administration (hereinafter only the Government Council), chaired by the Minister of Interior. The Secretariat under the umbrella of a department of the Ministry of the Interior will be shared with the Government Council for the Information Society.

Coordination of these strategic objectives will be delegated to the Managing Committees, which will proceed, in respect of the implementation of the Strategic Objective titled Increased accessibility and transparency through eGovernment, in cooperation and coordination with a working committee of the Government Council for the Information Society. Management committees will be chaired by members of the Government Council. Coordination and management of the implementation of specific objectives will be entrusted in the hands of the working committees sponsored by relevant management committees. The establishment of working committees will be under the competence of the Steering Committee. Should there be a need to manage greater details, we plan to appoint more working groups. Cost incurred by the Government Council will be monitored and evaluated. The Government Council for Information Society, which will be the subject of a separate text, will coordinate the preparation, drafting and implementation of texts relevant for the information society and the ICT, discuss and comment materials, programs and projects that relate to efficient public administration, eGovernment, ICT, information society, introduction of ICT and the eGovernment infrastructure.

For a general outline of the proposed implementation structure of the Strategic Framework, please see the following page.

Chart – Proposed Implementation Structure of the Strategic Framework



5.3. Framework Estimate of Costs

The budget for the implementation of the Strategic Framework will be drawn up in the course of drafting implementation plans to individual strategic plans (see Chapter 5.1: Implementation Procedure). Below, we drew up at least a framework estimate of costs of implementation of individual objectives, including a brief description of cost calculation.

It is, however, a solely qualified estimate. Final costs of the implementation of the Strategic Framework may differ significantly.

Strategic Objective	Specific objective	Cost estimate	Comments
1. Modernisation of the public administration	1.1 Use of process management elements. introduction of standards for selected agendas	CZK 80 million	Requirements on the Ministry of the Interior + other public bodies; personnel costs determined by the complexity of the modelled and standardized agenda, training related costs + costs incurred by the development of the Agenda Information System - Modelling.
	1.2 Reduction of regulatory burden	CZK 10 million	Measuring, assessment, and reduction of regulatory burden on citizens, NGOs, and the public administration – technical, organisational, financial, and personnel requirements.
	1.3 Development of quality methods in the public administration	Dozens of millions of CZK	The estimated costs at CZK 0,5 million per one institution include training, consultations with advisors and experts, potential also certification, rental related costs, refreshments, and costs of sustainability of the method.
	1.4 Introduction of a public administration evaluation system	At least dozens of millions of CZK, hundreds of millions at the most	Depends on the extent of the implementation of the measure and the need of support tools.
2. Reviewed and optimised performance of the public administration at the territorial level	2.1 Harmonisation of administrative geography of the Czech Republic	At least dozens of millions of CZK, hundreds of millions at the most	Depends on the extent of the implementation. Legislation and costs of administration and implementation. An alternative is to merge e.g. courts (buildings, etc.).
	2.2 Review and changes in the functions of the administratively divided towns	Millions of CZK	Changes in legislation and administrative and implementation measures.
	2.3 Optimized system of public contracts	At least dozens of millions of CZK, hundreds of millions at the most	Maximum costs if implementing a complex system to publish impacts of the terminated public contracts.

Strategic Objective	Specific objective	Cost estimate	Comments
2. Reviewed and optimised performance of the public administration at the territorial level	2.4 Modification and streamlining of the public administration system of financing of agendas performed in delegated powers	CZK 15 million	Introduction of a system of financing of the public administration alongside the newly defined agenda standards administrative and technical solution, software, analyses).
	2.5 Reduction of the risk of insolvency of territorial self-administration	CZK 10 million	Education and training of territorial administration in financial management – prevention of debt of municipalities.
3. Increased public administration accessibility and transparency through eGovernment	3.1 Completion of the workable eGovernment structure	Dozens of billions of CZK (the current estimate is CZK 33 billion)	Defined in line with the existing project plans, costs of which have been more or less quantified , e.g. the following.: the system of Czech POINTs, e-Collection and e-Legislation, ISDS system; Open Data, catalogue of Services, Register of life situations, connectivity of the existing systems, ITC security, and full electronic submission.
4. Development of professional human resources in the public administration	4.1 Implementation of the Civil Service Act	Approximately CZK 750 million	We assume to establish the flowing: (i) register of civil servants (about CZK 250 million), (ii) operation, maintenance, upgrading and updating of functionalities of the Register of civil servants in the coming 7 years (about CZK 300 million), (iii) approximation of the existing personnel information systems (about CZK 80 million), (iv) analysis of the functioning of public services and modifications of the system (about CZK 50 million), (v) education including operational costs of upgrading and updating of the e-learning courses plus new courses (about CZK 65 million).
	4.2 Management and development of human resources in the public administration		

6. APPENDICES

6.1. List of Acronyms

3E	Economy, Effectiveness, Efficiency
AIS	Agenda Information System
CAF	Common Assessment Framework
CIA	Corruption Impact Assessment
ČR	Czech Republic
ESIF	European Structural and Investment Funds
EU	European union
HDP	Gross Domestic Product
ICT	Information and Communication Technology
IROP	Integrated Regional Operational Programme
ISO	here: ISO 9001 – a quality method
IT	information technology
IZS	Integrated emergency system
KIVS	communication infrastructure of the public administration
Local Agenda 21	Local Agenda 21
MV	Ministry of the Interior
NPR	National Programme of Reforms of the Czech Republic 2014
NGO	Non-Governmental Organization
OECD	Organisation for Economic Co-operation and Development
OP	Operational programme
ORP	higher territorial self-administrative unit
OVM	public administration bodies
PMA	modelling of agenda processes
QMS	quality management system
RIA	Regulatory Impact Assessment
RPP	Register of rights and responsibilities
Strategy of International Competitiveness	Strategy of international competitiveness of the Czech Republic for the period of 2012 to 2020
SR	Strategic Framework of the Development of Public Administration in the Czech Republic for the period of 2014 – 2020
TQM	Total Quality Management
ÚHA	Office of the main architect

Note: All legal instruments in the as amended (should they have been amended)

6.2. Brief international comparison of public administration in the Czech Republic and in the EU

Quality of public governance is measured by institutions, such as the European Commission, the World bank, OECD, and others. In the process of drafting of the Strategic Framework, we used *Quality of public administration*,³⁵ a document commissioned by the European Commission, which is one of the source documents of the Europe 2020 strategy, respectively serves as a set of indicators to evaluate individual EU member states in various aspects of their activities (public administration, the financial sector, competitiveness, labour market, etc.).

From the above document, we selected three charts (see below), which are relevant for the global as well as strategic objectives of this Strategic Framework. Position of the Czech Republic is circled in red.

The first chart is the most important one, since it indicates the overall efficiency of the public administration. The Czech Republic ranks 18 among the 28 evaluated European countries³⁶. When compared to 2011, the efficiency of public administration is worse than in 2012.

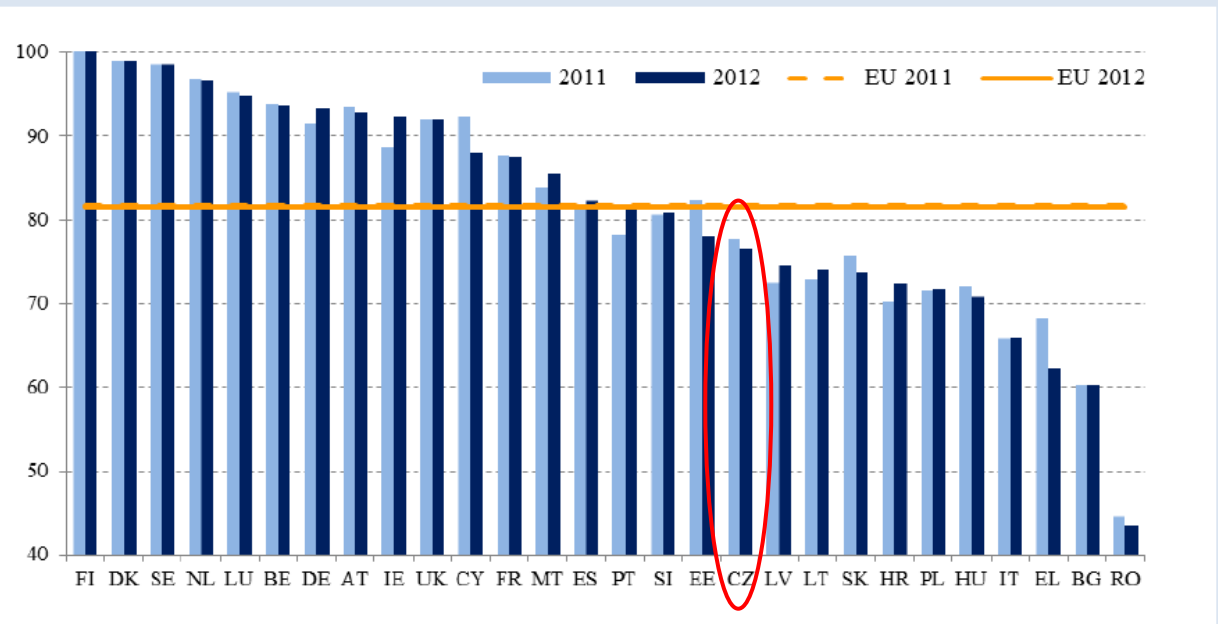
The chart of general eGovernment service use, the Czech Republic also ranks pretty badly (23rd place of 28 EU member states rated)³⁰ and the use of strategic management practice in human resources in the central public administration chart shows the Czech Republic at 17th place of OECD member states rated).

Government effectiveness (2011 in comparison with 2012)

³⁵ Source: http://ec.europa.eu/europe2020/making-it-happen/key-areas/index_en.htm

³⁶ This chart also includes Croatia, which became a member only in 2013.

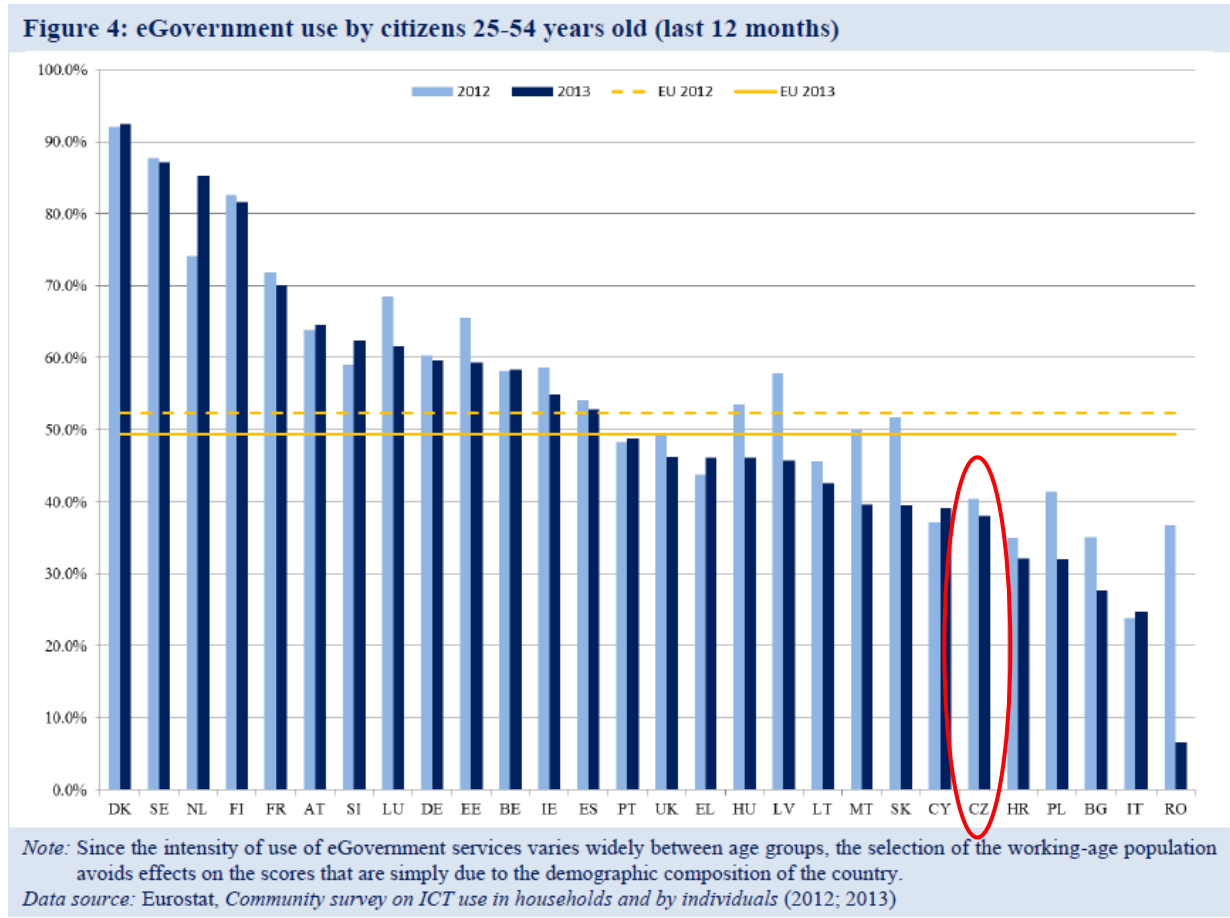
Figure 1: Government effectiveness



Note: The Worldwide Governance Indicators summarise information from 30 existing data sources on views and experiences of citizens, businesspeople and experts in the public, private and NGO sectors. Government effectiveness captures perceptions of the quality of the public service, its degree of independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies (scale 0 to 100, 100 = best).
Data source: World Bank – *Worldwide Governance Indicators* (2011; 2012)

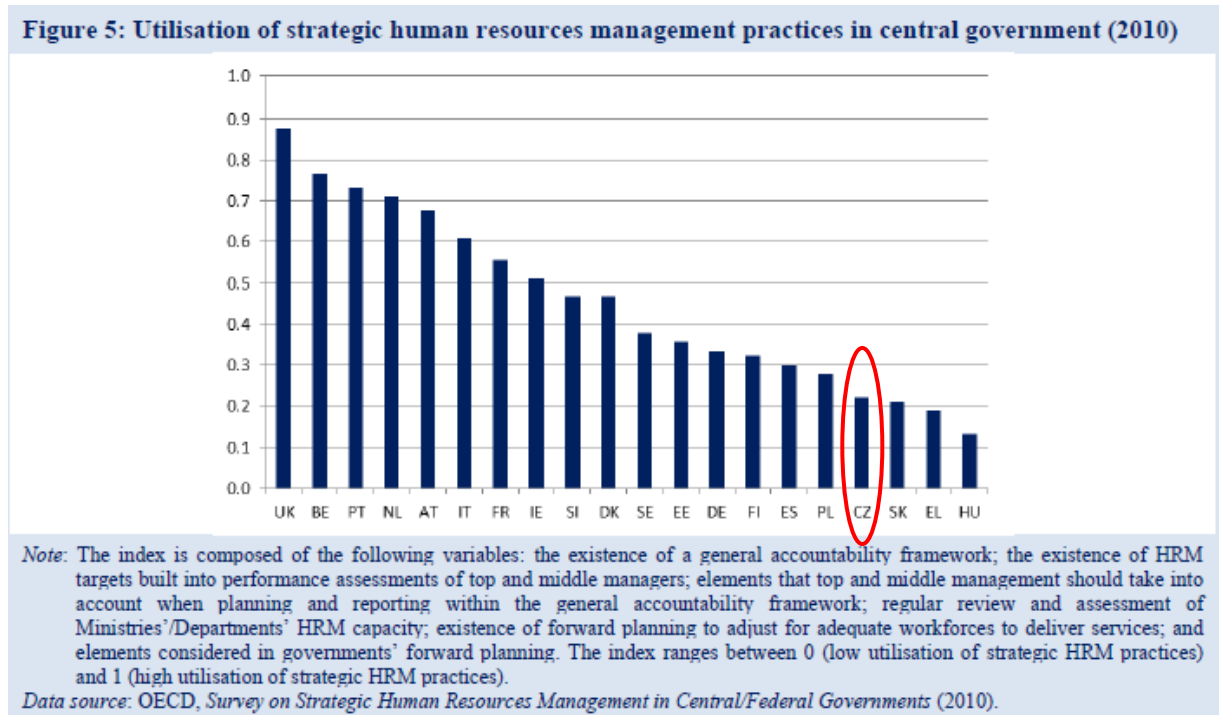
Source: European Commission – Quality of public administration

eGovernment use by citizens 25 to 54 years old (2011 in comparison with 2012)



Source: European Commission – Quality of public administration

Utilisation of strategic human resources management practices in central government (2010)



Source: European Commission – Quality of public administration

6.3. Characteristics and relation of relevant strategic documents to the Strategic Framework

Below, we shortly outline strategic documents which are closely linked to the Strategic Framework, in particular the following documents:

- Analysis of the public administration system – the current situation.
- Efficient public administration and friendly public services: Smart Administration Implementation Strategy in 2007 to 2015.
- National Programme of Reforms of the Czech Republic for 2014.
- Strategy of international competitiveness of the Czech Republic for the period of 2012 to 2020.
- Partnership Agreement for the programming period of 2014 to 2020.
- Employment Operational Programme.
- Integrated Regional Operational Programme.³⁷

In respect of each document, we briefly describe its contents, outline problems, development areas, or objectives related to the public administration. Furthermore, we indicate, whether these problems (areas, objectives) are tackled by the Strategic Framework. In conclusion, we list the responsible agency and add and relevant information there may be.

Analysis of the public administration system – the current situation

The Analysis of the public administration system – the current situation of 2011 (hereinafter only the “Analysis”) was drafted in reaction to non-systemic steps made by some Government ministries and, primarily, to the failure to finalize, respectively the strictly formal implementation of the 3rd phase of the public administration reform.

The objective of the Analysis of the public administration system – the current situation was to submit to the Government an expert analysis of the public administration, including the description of its system deficiencies and shortcomings and proposed solutions so that we turn, after having completed the reform, our public administration into an efficient and modern service which responds to the current requirements of the society without overburdening the central and territorial budgets.

The Analysis of the public administration system focused both on the central government as well as the local self-administration. The central government displayed the following problems, which were identified and analysed:

- High resistance against introduction of modern management methods,
- Absence of central publicly accessible database of agendas and activities performed by the central public administration bodies,

³⁷ The Employment Operational Programme and the Integrated Regional Operational Programme fall under the Programming Period of 2014 to 2020. The Strategic Framework, however, also links to programme documents for the Programming Period of 2007 to 2013, such as the Employment and Human Resources Operational Programme, and Integrated Operational Programme.

- Absence of standards of individual processes,
- Absence of legal framework of rights and responsibilities of civil servants,
- Excessive regulatory burden,
- Low level of horizontal coordination of public governance,
- Insufficient communication between the central government and the territorial level of the public administration or badly coordinated communication,
- Low quality of information on central public governance (citizens have no access to information on quality of central Government activities). The territorial self-administrative units have, unlike Government ministries, natural motivation to improve their services and reduce costs); central Government ministries lack transparency, comprehensiveness, and clear direction.
- Insufficient knowledge of public governance in delegated powers,
- Absence of personal responsibility,
- Inflexible internal structure of employment in the public administration, negative development in respect of employment in the public administration, instability of human resources, and political influence over the public governance,
- Organisational structures of public administration at the territorial level.

The territorial level of the public administration displayed the following problems, which were identified and analysed:

- Impact of the Act No. 36/1960 Coll., on Territorial division of the Czech Republic
- Complicated public governance agendas,
- The issue of small municipalities,
- Classification CZ – NUTS,
- Delineation or self-administrative regions,
- Statutory towns,
- Comprehensiveness or public governance in the Municipality of Prague,
- Public contracts,
- Local competence,
- Financing of self-administrative units.

The Analysis also contains selected system-related issues, such as the following:

- Relationship between elected representatives and the office,
- Political influence in the public administration,
- Status, rights, and responsibilities of civil servants,
- Changes in legal provisions concerning supervision and control

In its conclusions, the Analysis defines the key objectives in respect of modernisation of public administration and its management, in particular the following issues:

- Determining of clear proprieties of the public administration,
- Drawing a map of the public administration,
- Modelling of agenda and activity processes,

- Introducing process standards,
- Increased transparency of the public administration,
- Regulatory Impact Assessment,
- eLegislation and eCollection of Laws,
- Introduction of quality management methods in the public administration.³⁸

Link to the Strategic Framework: As indicated in the previous Chapters, the Strategic Framework derives from and links to the defined goals and direction of modernisation of the public administration.

Responsible agency: The Analysis of the public administration system – the current situation was drafted by the Ministry of the Interior.

Efficient public administration and friendly public services: Smart Administration Implementation Strategy in 2007 to 2015

The key objective of the Efficient public administration and friendly public services: Smart Administration Implementation Strategy in 2007 to 2015 (Smart Administration Strategy) is to facilitate coordinated and efficient improvement of the public administration and public governance with the use of funds from the Structural funds in the programming period of 2007 to 2013. We strive to improve coordination and facilitate synergies of interventions implemented under the umbrella of the Employment and Human Resources Operational Programme, the Integrated Operational Programme, and national resources.

At the same time, the Strategy creates a framework for coordination of all processes towards efficient public administration and friendly public services regardless of whether financed from structural funds or not.

The Smart Administration Strategy is divided into three main parts. Part One is analytical. It describes the public administration in the Czech Republic in the given period, identifies key problems, and compares the public administration system in the Czech Republic with its foreign counterparts. Part Two contains proposals for measures and changes and describes the PA Hexagon as the key tool and methodology for the implementation of the Strategy. Furthermore, it develops individual objectives in the Strategy into project rounds. Part Three, the final part, is devoted to the implementation and management of the Strategy.

The document also contains the following vision for 2015:

- The public administration in the Czech Republic is primarily understood to be a public service and as such meets the principles of good governance and functions efficiently and effectively.
- Public services are client-oriented, meet the expectations of the public, and are cost – efficient and able to flexibly react to the needs of their customers – the citizens.
- The public administration in the Czech Republic and public services contribute to the increasing competitiveness of the Czech economy and quality of life of the Czech citizens.

³⁸ Source: Analysis of the public administration system – the current situation .

The global objective of the Smart Administration Strategy is to boost social and economic growth in the Czech Republic and to improve the quality of life of all citizens with the help of improved efficiency of the public administration and public services. This global objective is broken into the five following strategic objectives:

- Improved process of drafting and implementation of policies,
- Improved and more comprehensive legal environment friendly to the business community as well as local and foreign investors,
- Improved efficiency of the public administration bodies, reduced costs of administration, and increased transparency of public governance,
- Public services closed to the citizen, with increased accessibility and quality,
- Improved judiciary system.

Link to the Strategic Framework: The Strategic Framework shall build on the implementation of activities pertaining to all five key strategic objectives of the Smart Administration Strategy.

Responsible agency: The agency responsible for the Smart Administration Strategy is the Ministry of the Interior.

National Programme of Reforms of the Czech Republic 2014

The National Programme of Reforms of the Czech Republic 2014 is a document determining, in line with the EU economic priorities, the plan of key measures to support economic growth in the Czech Republic in line with responsible fiscal policy. Measures contained therein react to the current economic situation and build on priorities defined by the government of the Czech Republic. In respect of the annual periodicity of the upgrades of national programmes of reforms, the key attention is paid to measures, which may be implemented or at least initiated in 2014.

The most burning issues and development areas defined are as follows:³⁹

- Development of public administration, quality and transparent public governance,
- Anti-corruption efforts,
- Management of EU funds in respect of the 2014 to 2020 programming period,
- Public procurement,
- Electronic public administration,
- Regulatory Impact Analysis,
- Re-codification of civil procedural law,
- Reduction of administrative and regulatory burden on the business community.

Link to the Strategic Framework: The Strategic Framework targets primarily the development of public administration, high quality and transparent public administration, electronic public

³⁹ Source: Source: National Programme of Reforms 2014, Chapters 3.5: Quality of public administration, fight against corruption, administration of EU funds and implementation of public procurement, 4.1.2: Effective governance and legislative environment, and 4.2.1: attractive business environment and development of infrastructure for the Czech industry).

administration, Regulatory Impact Analysis and Reduction of administrative and regulatory burden (in general and on the business community).

Responsible agency: The agency responsible for the National programme of Reforms of the Czech Republic is the Office of the Government of the Czech Republic.

Strategy of international competitiveness of the Czech Republic for the period of 2012 to 2020

The Strategy of international competitiveness of the Czech Republic for the period of 2012 to 2020 (hereinafter only the Strategy of International Competitiveness) is a strategic document, which aims to prepare the Czech Republic for its future in a globalized world. The draft text of the strategy is based on the OECD definition, according to which competitiveness is defined by the ability to produce goods and services that will stand the test of international competition, and the ability to maintain or increase real Gross Domestic Product.

The competitiveness potential of entities operating in the Czech Republic is not only due to their objective characteristics. The level of use of this potential depends partly on the conditions that cannot be controlled, such as the environment and nature, geographic location or the economic cycle. On the other hand, there are conditions that can be affected both the national government and by the public administration, or even by striving to change conditions of the EU internal market. To some extent, the Strategy of International Competitiveness tackles all the above measures.

The Strategy of International Competitiveness includes forty-three projects in the field of institutions, infrastructure, public finance, education, labour market, financial markets, healthcare, and innovations. All are developed into particular actions. The aim of the projects is to create attractive conditions for creative entrepreneurship, innovations and increased standard of living.

The key initiative in the area of public administration are as follows:

- Effective public administration,
- Streamlined management of public assets and resources,
- Improved access to public services,
- Increased quality and accessibility of regulation,
- Improved enforcement of law.⁴⁰

Link to the Strategic Framework: All the above initiative have a link to the implementation of the Strategic Framework.

Responsible agency: The agency responsible for the Strategy of international competitiveness is the Ministry of Trade and Industry.

Partnership Agreement for the programming period of 2014 – 2020

Partnership Agreement for the programming period of 2014–2020 (hereinafter only the Partnership Agreement) is a document drafted by an EU member state, which determines goals and priorities for the efficient use of the ESIF in order to implement the Europe 2020 based on pre-defined national priorities.

The Agreement is a strategic document built on a profound analysis of the current social and economic situation, economic trends, and needs of the Czech Republic based on which the EU

⁴⁰ Source: Strategy of international competitiveness of the CR for the period of 2012 to 2020 (primarily Chapter 1: Institutions).

defined its priorities in respect of financing for 2014 to 2020 while maintaining the common EU objectives.⁴¹

In the analytical part, the public administration is described as one of the five priority areas in respect of development needs and growth potential. The key problems and needs of the public administration identified by the Partnership Agreement are as follows:

- High administrative and regulatory burden,
- Low efficiency and professionalism,
- Low transparency of the public administration,
- Low efficiency of the judiciary.
- Introduction of the eGovernment not completed,
- Insufficient use of information systems and technology in the public administration.

Link to the Strategic Framework: The Strategic Framework tackles all the above issues.

Responsible agency: The agency responsible for Partnership Agreements is the Ministry for Local Development.

Employment Operational Programme

The Employment Operational Programme defines priorities for the support of employment, social inclusion and effective public administration from the European Social Fund in 2014 to 2020. By large, the Employment Operational Programme is drawn up in relation to the Partnership Agreement, which defines priorities of the Czech Republic in respect of drawing support from the European Structural and Investment Funds in the period 2014 to 2020 and other key strategic documents (national as well as European). This document builds on the Human Resources and Employment Operational Programme for the period of 2007 to 2013.

The Operational Program identifies four basic priority directions, namely support of employment, equal opportunities for women and men, adaptability of employees and employers, further education, social inclusion and combating poverty, improving the efficiency of public administration and public services and promoting international cooperation and social innovation in employment, social inclusion and public governance. With regard to the eligibility of expenditure financed by the European Social Fund, the Employment Operational Programme supports investments of intangible nature.

Link to the Strategic Framework: For the Strategic Framework, the relevant priority is axis 4: Effective Governance, intervention of which will be supported by thematic objective of the European Structural and Investment Fund No. 11: Strengthening institutional capacity of public authorities and stakeholders and the efficient public administration. In Chapter 4 of the Strategic Framework: Description of individual objectives, we outline, for individual objectives, their potential link to the implementation of the Operational Programme Employment.

Responsible agency: The agency responsible for the Operational Programme Employment is the Ministry of Labour and Social Affairs.

Integrated Regional Operational Programme

⁴¹ Source: Partnership Agreement for the programming period of 2014–2020.

The Integrated Regional Operational Programme strategy is based on a combination and synergies of appropriately selected regional interventions complemented by interventions at the national level with a strong projection to the territory as a means of strengthening the regional competitiveness and quality of life. There is a significant impact on the balanced development of the territory. An important aspect of the strategy is the fact that it takes into account solutions with regard to the diversity of needs in different territories.

The Integrated Regional Operational Programme integrates the development priorities of municipalities, towns, regions and the national level priorities, taking into account their specifics and requirements in respect of their most burning problems and geographic concentration. By combining interventions so far implemented separately at the regional and central level and their integration in respect of timing and contents, we may reach positive synergies.

Similarly to the Employment Operational Programme, the Integrated Regional Operational Programme was drawn up in line with the Partnership Agreement and other relevant national and European strategies. This document builds on the Integrated Operational Programme for the period of 2007 to 2013.

Link to the Strategic Framework: For the Strategic Framework, the relevant priority is the axis 3: Good governance and the effectiveness of public institutions, namely the Specific Objective 3.2: Increasing the efficiency and transparency of public administration through the development and use of quality ICT systems as well as the Specific Objective 3.3: Support the acquisition and application of spatial development documents.⁴² In Chapter 4 of the Strategic Framework: Description of individual objectives, we outline, for individual objectives, their potential link to the implementation of the Integrated Regional Operational Programme.⁴³

Responsible agency: The agency responsible for the Integrated Regional Operational Programme is the Ministry for Local Development .

⁴² Source: Integrated Regional Operational Programme.

⁴³ Source: Integrated Regional Operational Programme.

6.4. Intervention Logic Scheme

In this Annex, we first outline all strategic objectives, specific objectives and related key measures/ activities. The following pages are devoted to the overview of all problems tackled by the Strategic Framework, the key measures and activities, and specific and strategic objectives. The process of creating the intervention logic is described in section 3.1: The Intervention Logic.

Objectives and measures

	1				2					3	4	
Strategic Objective	Modernisation of public administration				Review and optimisation of public governance at the territorial level					Increased public administration accessibility and transparency through eGovernment	Development of professional human resources in the public administration	
Title of the Specific Objective	1.1	1.2	1.3	1.4	2.1	2.2	2.3	2.4	2.5	3.1	4.1	4.2
	Use of process management elements. introduction of standards for selected agendas	Reduction of regulatory burden	Development of quality methods in the public administration	Introduction of a public administration evaluation system	Harmonisation of administrative geography of the Czech Republic	Review and changes in the functions of the administratively divided towns	Optimized system of public contracts	Modification and streamlining of the public administration system of financing of agendas performed in delegated powers	Reduction of the risk of insolvency of territorial self-administration	Completion of the workable eGovernment structure	Implementation of the Civil Service Act	Management and development of human resources in the public administration
Key measures and activities	Modelling of processes of selected agendas Evaluation of costs and benefits of the agenda modelling method Standardization of selected agendas	Introduction a concept of administrative burden reduction Development of a comprehensive methodology of administrative burden measuring and assessment Setting up of conditions and introduction of system tools to improve the submitted Regulatory Impact Analyses. - Introducing guidelines for the evaluation of the overall regulatory burden and their application in the Regulatory Impact Analysis process. - Introducing a mechanism of systematic review and monitoring of changes in the quality of the submitted Regulatory Impact Assessment	Drawing up of guidelines to introduce quality management methods in the public administration bodies and implementation of quality management methods in the public administration. - Implementation of quality management methods in the public administration bodies. - Guidelines to support quality management at the level of territorial self-governing units. - Implementation of the Guidelines for drafting public strategies in practice, Development of systems and tools of strategic work in the public administration., - Intro	Introduction of a functioning system of measuring and evaluation of the public administration and subsequent drafting of guidelines	Simplification and harmonisation of public governance at the territorial level	Defining criteria of determining the status of a statutory town and its zoning Determining the scope of delegated powers pertaining to a municipal district	Review and amendment of rules for concluding public contracts. - Improved system and implementation of oversight and control of delegated public governance at the regional level - Introduction of rules and system for publication of public contracts	Modification of the already existing system of financing of delegated powers of public governance	Drawing up of backup analyses and alternative solutions of increasing financial autonomy - Improved training of territorial self-governing bodies (municipalities) in the field of financial management Determining of rules and alternative ways of insolvency procedures in respect of territorial self-governing bodies	Drafting of a strategic document – Strategy of management of investments to ICT Promotion of the open data principle. - Development, connectivity, and consolidation of Civil Service Act data fund and its efficient and secure use for individual agendas as well as at the „open data“ principle. - To finish developing information and communication systems of Civil Service Act and to implement security measures pursuant to the Cyber Security Act. To equip central government bodies to facilitate their protection of ICT infrastructure. - To amend relevant eGovernment related legislation. Drafting of a strategic document – Strategy of management of investments to ICT.	Introduction of a central managerial body responsible for management, methodology, coordination, and control of the Civil Service Act; Drawing up of service implementing rules to describe in detail the Civil Service Act processes and principles. Setting up of a system of all relevant processes in the field of human resources management	Review and changes of the system of education Setting up of a system of all relevant processes in the field of human resources management Adequate ICT support of human resources management.

Strategic Framework of the Development of Public Administration in the Czech Republic in 2014 -2020

		reports	duction of analyses of strategic documentation used to set a hierarchical order of the system of strategies									
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-

Intervention logic

<i>Problem</i>	<i>Key measures/activities</i>	<i>Description of the Specific Objective</i>	<i>Title of the Specific Objective</i>	<i>Strategic Objective</i>
Lack of knowledge of processes used by individual public administration bodies to perform their agendas.	- Modelling of processes of selected agendas.	The objective is to improve quality of the public administration and public governance and to reduce the administrative burden with the help of sample models of agenda processes and their subsequent standardization.	1.1 Use of process management elements. introduction of standards for selected agendas	1. Modernisation of public administration
Lack of consistency in the performance of identical agendas and activities at different levels and by individual offices.	- Standardization of selected agendas.			
Heavy regulatory burden impacting citizens, the business community, public administration institutions, and other bodies.	- Introduction a concept of administrative burden reduction. - Development of a comprehensive methodology of administrative burden measuring and assessment.	The objective is to reduce time and financial burden on the subjects concerned when dealing with the public authorities to increase quality of the public administration system in the Czech Republic thus contributing to increased competitiveness of our country.	1.2 Reduction of regulatory burden	
Heavy regulatory burden impacting citizens, the business community and other subjects.	- Setting up of conditions and introduction of system tools to improve the submitted Regulatory Impact Analyses. - Introducing guidelines for the evaluation of the overall regulatory burden and their application in the Regulatory Impact Analysis process. - Introducing a mechanism of systematic review and monitoring of changes in the quality of the submitted Regulatory Impact Assessment reports.			
The absence of a standardized quality management system.	- Drawing up of guidelines to introduce quality management methods in the public administration bodies and implementation of quality management methods in the public administration.	The objective is to increase quality of the public administration with the help of quality management concepts and the introduction of quality management methods in the public administration.	1.3 Development of quality methods in the public administration	
The use of quality management methods in the public administration has never been systematically promoted, coordinated, or evaluated. The system of strategic management and drafting of strategic documents has been suffering from a number of problems, such as the absence of a workable link to the budgeting, absence of a system to measure implementation of objectives, absence of a long-term strategy at the national level, etc.).	- Implementation of quality management methods in the public administration bodies. - Guidelines to support quality management at the level of territorial self-governing units. - Implementation of the Guidelines for drafting public strategies in practice, - Development of systems and tools of strategic work in the public administration,			
Inability to duly evaluate efficiency and effectiveness of the public administration, inability to define the results achieved and the impact of the development of the public administration in respect of its focus, efficiency, effectiveness, and economy.	Introduction of a functioning system of measuring and evaluation of the public administration and subsequent drafting of guidelines.	The objective is to introduce an efficient system of measuring and evaluation of the public administration as a tool to improve its q in line with principles of efficiency, effectiveness, and economy.	1.4 Introduction of a public administration evaluation system	
The absence of a comprehensive system of				

evaluation of the public administration.				
--	--	--	--	--

<i>Problem</i>	<i>Key measures/activities</i>	<i>Description of the Specific Objective</i>	<i>Title of the Specific Objective</i>	<i>Strategic Objective</i>																										
Overcomplicated and incomprehensive administrative structure.	Simplification and harmonisation of public governance at the territorial level.	The key objective is to simplify and streamline public governance at the territorial level and create a unified, stable and acceptable administrative network. At the same time, it is necessary to align the borders of territorial administrative units.	2.1 Harmonisation of administrative geography of the Czech delegated	2. Review and optimisation of public governance at the territorial level																										
Failure to align the territorial self-governing units with the administrative districts.					The absence of an objective criterion of determining the status of a statutory town .	Defining criteria of determining the status of a statutory town and its zoning.	The objective is to streamline public governance in statutory towns and unify the scope of delegated powers implemented by municipal district bodies so that the system of public governance becomes stable and comprehensible for the public.	2.2 Review and changes in the functions of the administratively divided towns	Competences of municipal districts and parts are not unified; asymmetrical zoning of some statutory towns .	Absence of detailed rules of delegation of powers.	Determining the scope of delegated powers pertaining to a municipal district.	Incomprehensive public governance due to the excessive use of public contracts.	Review and amendment of rules for concluding public contracts. Improved system and implementation of oversight and control of delegated public governance at the regional level.	The objective is to optimise the system of public contracts in order to increase comprehensiveness of the public administration system at the territorial level. ⁴⁴ Furthermore, we strive to increase transparency of the public contract system from the citizen's point of view.	2.3 Optimized system of public contracts	absence of comprehensive system of information on concluded and terminated public contracts.	Introduction of rules and system for publication of public contracts.			Inefficient and non-transparent allocation of public governance financing.	- Modification of the already existing system of financing of delegated powers of public governance.	The objective is to increase efficiency and transparency of financing of transferred powers of public governance at the territorial level and removal of shortcomings of the current system of financing.	2.4 Modification and streamlining of the public administration system of financing of agendas performed in delegated powers	absence of feedback on the cost and efficiency of public services performed in delegated powers.	Difficulties to quantify individual changes introduced to delegated powers of public governance in respect of individual categories of municipalities.	Lack of resources to implement larger investments (especially in respect of small municipalities), low financial autonomy of the territorial self-administration.	- Drawing up of backup analyses and alternative solutions of increasing financial autonomy.	The objective is to reduce the risk of insolvency of territorial self-administration, especially via the increased professionalism and expertise of the territorial self-administration especially in the context of financial management as well as the increased autonomy of the territorial self-	2.5 Reduction of the risk of insolvency of territorial self-administration	Low expertise, professional knowledge, and specialisation of municipal bodies.
The absence of an objective criterion of determining the status of a statutory town .	Defining criteria of determining the status of a statutory town and its zoning.	The objective is to streamline public governance in statutory towns and unify the scope of delegated powers implemented by municipal district bodies so that the system of public governance becomes stable and comprehensible for the public.	2.2 Review and changes in the functions of the administratively divided towns																											
Competences of municipal districts and parts are not unified; asymmetrical zoning of some statutory towns .																														
Absence of detailed rules of delegation of powers.					Determining the scope of delegated powers pertaining to a municipal district.																									
Incomprehensive public governance due to the excessive use of public contracts.	Review and amendment of rules for concluding public contracts. Improved system and implementation of oversight and control of delegated public governance at the regional level.	The objective is to optimise the system of public contracts in order to increase comprehensiveness of the public administration system at the territorial level. ⁴⁴ Furthermore, we strive to increase transparency of the public contract system from the citizen's point of view.	2.3 Optimized system of public contracts																											
absence of comprehensive system of information on concluded and terminated public contracts.	Introduction of rules and system for publication of public contracts.																													
Inefficient and non-transparent allocation of public governance financing.	- Modification of the already existing system of financing of delegated powers of public governance.	The objective is to increase efficiency and transparency of financing of transferred powers of public governance at the territorial level and removal of shortcomings of the current system of financing.	2.4 Modification and streamlining of the public administration system of financing of agendas performed in delegated powers																											
absence of feedback on the cost and efficiency of public services performed in delegated powers.																														
Difficulties to quantify individual changes introduced to delegated powers of public governance in respect of individual categories of municipalities.																														
Lack of resources to implement larger investments (especially in respect of small municipalities), low financial autonomy of the territorial self-administration.	- Drawing up of backup analyses and alternative solutions of increasing financial autonomy.	The objective is to reduce the risk of insolvency of territorial self-administration, especially via the increased professionalism and expertise of the territorial self-administration especially in the context of financial management as well as the increased autonomy of the territorial self-	2.5 Reduction of the risk of insolvency of territorial self-administration																											
Low expertise, professional knowledge, and specialisation of municipal bodies.	- Improved training of territorial self-governing bodies (municipalities) in the field of financial																													

⁴⁴ This specific objective concerns public contracts in respect of delegated powers.

<i>Problem</i>	<i>Key measures/activities</i>	<i>Description of the Specific Objective</i>	<i>Title of the Specific Objective</i>	<i>Strategic Objective</i>
	management	administration..		
Insolvency of selected municipalities	- Determining of rules and alternative ways of insolvency procedures in respect of territorial self-governing bodies.	It is also desirable to set the rules of insolvency procedure of the territorial self-administration in bankruptcy.		
Absence of legislation necessary for municipalities to enter insolvency proceedings to tackle and solve their financial problems				

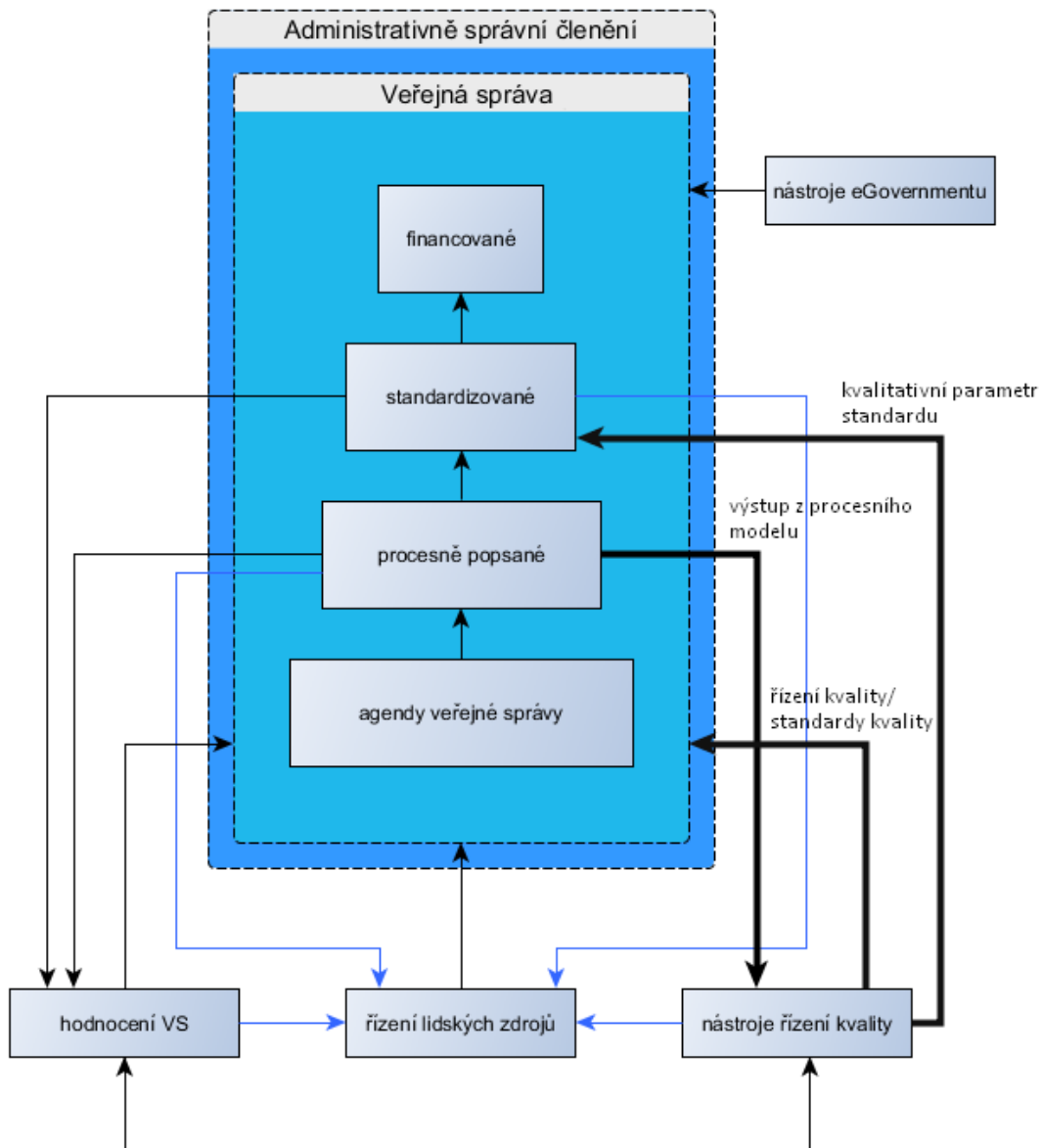
<i>Problem</i>	<i>Key measures/activities</i>	<i>Description of the Specific Objective</i>	<i>Title of the Specific Objective</i>	<i>Strategic Objective</i>
The implementation of ICT related projects is by large uncoordinated.	- To finish developing the eGovernment infrastructure. - Introduction of concepts necessary for the functioning of eGovernment and implementation of ICT projects.	The objective is to finish developing comprehensive, transparent, and flexible environment and legal and institutional conditions necessary for smooth development of eGovernment and the full use of its potential.	3.1 Completion of the workable eGovernment structure	3. Increased public administration accessibility and transparency through eGovernment
Conditions for the development of eGovernment in transparent and competitive environment are limited (especially by licencing rules)	- Drafting of a strategic document – Strategy of management of investments to ICT.			
The “open data” principle is not applied properly.	- Promotion of the open data principle. - Development, connectivity, and consolidation of Civil Service Act data fund and its efficient and secure use for individual agendas as well as at the „open data” principle.			
Standards of cyber security, especially in respect of elements of critical infrastructure, are not adequate.	- To finish developing information and communication systems of Civil Service Act and to implement security measures pursuant to the Cyber Security Act. - To equip central government bodies to facilitate their protection of ICT infrastructure.			
The development of ICT lacks support of adequately and timely implemented relevant legislation	- To amend relevant eGovernment related legislation.			
To determine the role of the management authority, i.e. a department of the MI in charge of the supervision of the public service we need adequate backup analyses and related guidelines and methodology as well as relevant processes and related service rules.	-Introduction of a central managerial body responsible for management, methodology, concepts, coordination, and control of the Civil Service Act; Drawing up of service implementing rules to describe in detail the Civil Service Act processes and principles.	The objective is the full and successful implementation of Civil Service Act and its full operability within the system of Civil Service Act in the CR. The Civil Service Act is a key condition for the introduction of stable, professional, and efficient Civil Service Act in the CR.	4.1 Implementation of the Civil Service Act	4. Development of professional human resources in the public administration
The current system of education of civil servants does not contribute to an equal level of proficiency and expertise.	Review and changes of the system of education.	The key objective is to create a workable and efficient single system of most important personnel related processes across the individual services (administrative authorities) while respecting their specific features and needs	4.2 Management and development of human resources in the public administration	
Absence of efficient management of human resources in the public administration .	Setting up of a system of all relevant processes in the field of human resources management Adequate ICT support of human resources management.	– recruitment and recruitment and selection processes, evaluation, education, sanctions for non-compliance, organisational structure, second instance appellate body, etc.		

6.5. The Mutual Interdependence of Strategic Framework Objectives

As indicated in Chapter 3: Intervention Logic and Outline of Objectives, the implementation of individual measures and activities to meet the relevant specific and strategic objectives is, to a large extent, interdependent. This chapter is designed to develop the text of chapter 3.

Individual strategic objectives of the Strategic Framework are mutually interdependent. The proposed modernisation measures create a system which has a certain synergy. Should we insist on both positive and negative feedback, we will subject the system to control from several angles.

Mutual interdependence of Strategic Framework objectives



Note: Black thick arrows = hard data, black thin arrows = direct influence, blue arrows = feedback.

Interdependence of the strategic objectives is set on three levels:

1. Direct impact on a part of the system via qualified data (thick arrows)

Data pertaining to process descriptions/models are a qualified entry for the quality management systems used based on which we shall determine the qualitative parameters of standards. In the opposite direction, we open space for setting up of standards of quality of public administration and impact management of the entire service.

2. Direct interdependence of individual parts of the system (black arrows)

Through the implementation of individual measures, we will establish proper conditions for assessment of the public administration. The direct interdependence of individual elements is set to create synergies which influence the entire system.

3. Feedback (blue arrows)

The mutually interconnected model allows for feedback as a tool of potential changes of the system based on output from its individual parts.

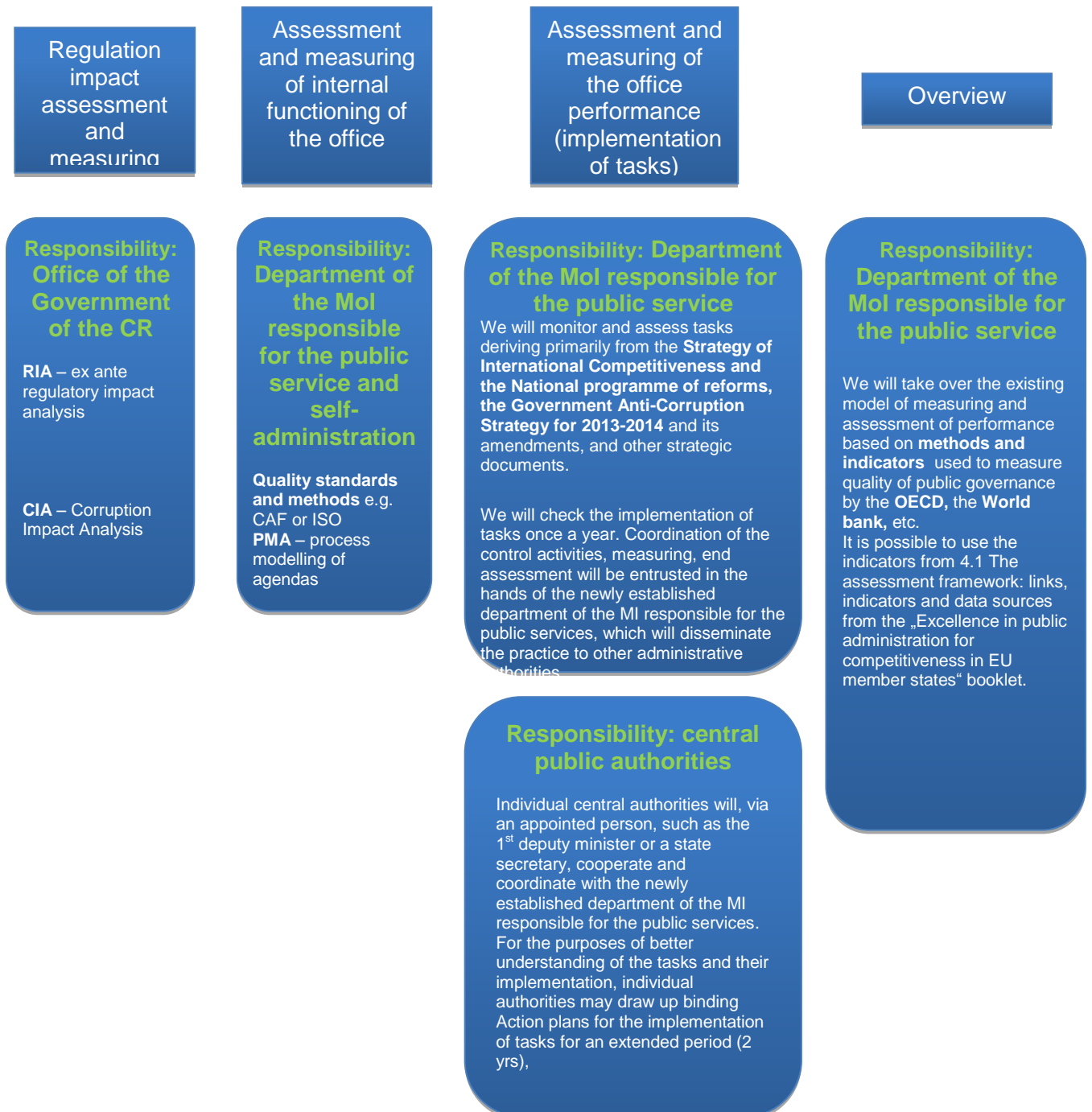
From the citizen's point of view, the entire system is under the influence of the administrative geography as the basis of the public administration functioning.

Objectives related to the use of eGovernment do not only strive to increase the effectiveness of parts of the system thus improving the entire system, but also help overcome obstacles due to the current administrative geography.

6.6. Chart of the Public Administration Measuring and Assessment Tools

A Scheme to the Specific Objective 1.4 Introduction of a public administration evaluation system.

Public Administration Measuring and Assessment Tools



Regulation impact assessment and measuring

Assessment and measuring of internal functioning of the office

Assessment and measuring of the office performance (implementation of tasks)

Overview

Responsibility: Office of the Government of the CR
 RIA – ex ante regulatory impact analysis
 CIA – Corruption Impact Analysis

Responsibility: Department of the MI responsible for the public service and self-administration
 Quality standards and methods e.g. CAF or ISO
 PMA – process modelling of agendas

Responsibility: Department of the MI responsible for the public service
 We will monitor and assess tasks deriving primarily from the **Strategy of International Competitiveness and the National programme of reforms, the Government Anti-Corruption Strategy for 2013-2014** and its amendments, and other strategic documents.
 We will check the implementation of tasks once a year. Coordination of the control activities, measuring, and assessment will be entrusted in the hands of the newly established department of the MI responsible for the public services, which will disseminate the practice to other administrative authorities.

Responsibility: Department of the MI responsible for the public service
 We will take over the existing model of measuring and assessment of performance based on **methods and indicators** used to measure quality of public governance by the **OECD, the World bank**, etc.
 It is possible to use the indicators from 4.1 The assessment framework: links, indicators and data sources from the „Excellence in public administration for competitiveness in EU member states“ booklet.

Responsibility: central public authorities
 Individual central authorities will, via an appointed person, such as the 1st deputy minister or a state secretary, cooperate and coordinate with the newly established department of the MI responsible for the public services. For the purposes of better understanding of the tasks and their implementation, individual authorities may draw up binding Action plans for the implementation of tasks for an extended period (2 yrs),

6.7. Implementation of preliminary conditions and link to the Operational Programmes

The preliminary conditions derive from the general regulation to the European Structural and Investment Funds,⁴⁵ Annex XI, regulations guiding individual funds, and the European Commission's Guidance on Ex Ante Conditionalities for the European Structural and Investment Funds (ESI). At the national level, we have embedded, for the purposes of preparing grounds for the European Structural and Investment Funds, the necessary preliminary conditions in the Guidelines for drafting of programme documents for the programming period of 2014–2020 and other guidelines by the Ministry for Local Development.⁴⁶ Preliminary conditions are set by the European Commission as conditions for drawing from the European Structural and Investment Funds.

The Strategic Framework, its drawing and implementation and subsequent implementation plans (see Chapter 5) contribute to the compliance with the following criteria:

- Preliminary conditions 2.1 Digital growth: Strategic Framework of the digital growth policy designed to support affordable, high quality and interoperable private as well as public services in the field of information and communication technology and increase their use by the citizens (including vulnerable groups), the business community, and the public administration (including cross border initiatives),
- Preliminary conditions 11 – Strategic political framework to enhance efficiency of the public administration in the EU member states, including public administration reforms. In the chart below, we outline strategic and specific objectives of the Strategic Framework including information on to which criteria the preliminary conditions may contribute.

Below, we outline, in a form of a table, relevant preliminary conditions and criteria concerned to each strategic objective and relevant specific objectives.

The table also shows the link of strategic objectives to operational programmes for the programming period of 2014 – 2020, respectively the table indicates under the umbrella of which operational programme we plan to support the implementation of the given strategic objective.⁴⁷

In particular, it concerns the following:

- Employment Operational Programme, Priority Axis 4: Efficient public administration,

⁴⁵ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006.

⁴⁶ Source: Partnership Agreement for the period of 2014 – 2020.

⁴⁷ The implementation of individual objectives of the Strategic Framework will be, next to the above operational programmes, also supported from national resources. This is just the indication of applicable Operational Programmes.

- Integrated Regional Operational Programme, Priority Axis 3: Good governance in the territory and improved efficiency of public authorities, Specific Objective 3.2: Improved efficiency and transparency of public administration with the help of increased use and quality of ICT systems.

Strategic Objective	Specific objective	Preliminary condition	Criteria concerned	Link to an OP
1. Modernisation of public administration	1.1 Use of process management elements. introduction of standards for selected agendas	Preliminary condition 11 Strategic political framework to strengthen the efficiency of the member states' public administration, including the public administration reform.	<ul style="list-style-type: none"> ➤ Integrated measures to simplify and rationalize administrative procedures ➤ Development of quality management system ➤ Development of competences at all levels of professional hierarchy of the public bodies ➤ Development of monitoring and evaluation tools and processes 	Employment Operational Programme Integrated Regional Operational Programme (only in respect of Objective 1.2)
	1.2 Reduction of regulatory burden			
	1.3 Development of quality methods in the public administration			
	1.4 Introduction of a public administration evaluation system			
2. Reviewed and optimised performance of the public administration at the territorial level	2.1 Harmonisation of administrative geography of the Czech Republic	Preliminary condition 11 Strategic political framework to enhance efficiency of the public administration in the EU member states, including public administration reforms.	<ul style="list-style-type: none"> ➤ Integrated measures to simplify and rationalize administrative procedures ➤ Development of competences at all levels of professional hierarchy of the public bodies 	Employment Operational Programme
	2.2 Review and changes in the functions of the administratively divided towns			
	2.3 Optimized system of public contracts			
	2.4 Modification and streamlining of the public administration system of financing of agendas performed in delegated powers			
	2.5 Reduction of the risk of insolvency of territorial self-administration			

Strategic Objective	Specific objective	Preliminary Condition	Criteria concerned	Link to an OP
<p>3. Increased public administration accessibility and transparency through eGovernment</p>	<p>3.1 Completion of the workable eGovernment structure</p>	<p>Preliminary condition 11 Strategic political framework to enhance efficiency of the public administration in the EU member states, including public administration reforms.</p> <p>Preliminary condition 2.1 Digital growth: Strategic Framework of the digital growth policy designed to support affordable, high quality and interoperable private as well as public services in the field of information and communication technology and increase their use by the citizens (including vulnerable groups), the business community, and the public administration (including cross border initiatives)</p>	<ul style="list-style-type: none"> ➤ Integrated measures to simplify and rationalize administrative procedures ➤ A strategic framework policy for the digital growth as an example of an activity under the umbrella of a national or regional smart administration strategy 	<p>Employment Operational Programme</p> <p>Integrated Regional Operational Programme</p>
<p>4. Development of professional human resources in the public administration</p>	<p>4.1 Implementation of the Civil Service Act</p> <p>4.2 Management and development of human resources in the public administration</p>	<p>Preliminary condition 11 Strategic political framework to enhance efficiency of the public administration in the EU member states, including public administration reforms.</p>	<ul style="list-style-type: none"> ➤ Development of quality management system ➤ Drafting and implementation of human resources related strategies and policies to tackle the most burning shortcomings determined in this particular area 	<p>Employment Operational Programme</p> <p>Integrated Regional Operational Programme</p>

			→ Development of competences at all levels of professional hierarchy of the public bodies	Programme (solely in respect of Objective 4.2)
--	--	--	---	---