



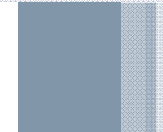
# Structuring Government in the 21<sup>st</sup> Century: Managing and Controlling Public Agencies at National and EU-level in Times of Crisis

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May 2011**

# The content

- **Context for changes**
- **Main goal/strategy for improvement**
- **Key areas for improvement:**
  - Strategic management and budgeting
  - Civil service improvements
  - Institutional framework
- **Lessons learned...**



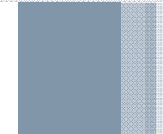
# The context: key challenges

- **Financial crisis: urgent need for budget consolidation.**
- **Rising distrust of the society with public sector, and discontent about the provision/quality of public services.**
- **Necessity to carry out significant structural reforms: pension system, health and education services.**



# Ultimate goal

- Provide quality services to the citizens with shrinking/limited resources by enhancing **efficiency, accountability and responsibility for performance results.**



# Some challenges

- Insufficient capacity to set strategic political priorities
- Inadequate mechanisms for policy implementation
- Public service is too rigid to respond to challenges/changing situation
- Weak coordination/cooperation among state institutions
- Limited practice/culture to mobilize resources to implement strategic priorities
- Insufficient accountability and responsibility for performance results

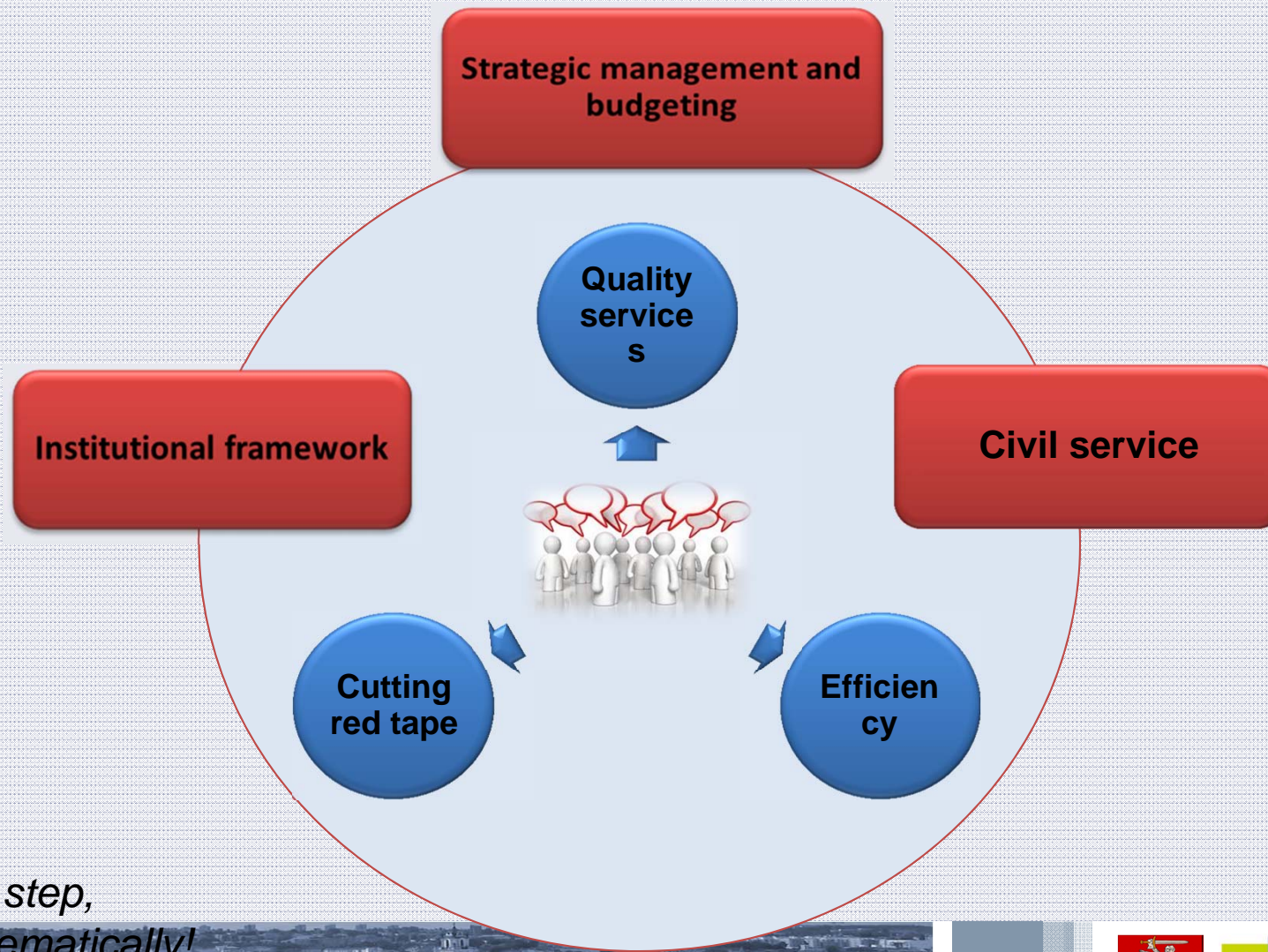


# Strengths we are building on....

- **Strong political will**
- **Strong administrative capacities**
- **Well established/fairly well functioning strategic planning and civil service systems**
- **Strong compliance culture**



# Key areas for performance improvement



*Step by step,  
but systematically!*



# A. Strategic management and budget formulation

## Clear Government priorities

- Annual Government priorities, expected results
- Priorities and results/indicators reflected in strategic plans
- Quarterly monitoring of implementation
- Progress reports are open to the public

## Accountability for results

- Agreements between PM , MoF and respective Minister
- Responsibility and accountability for results at every level
- Minister is accountable for results and has more freedom to manage

## Results based budget cycle

- “*Change of conversation*” - achievements, priorities, budget
- PMO and MoF are working together preparing for budget negotiations
- Analysis of administrative costs and target setting for the Ministers/PM can ask for ad hoc evaluation of some budget programmes



# Performance chain

Performance agreements

Annual Government priorities

Agreement between PM, MoF and a Minister

Strategic priorities of a Minister

Department

Department

Department

Agency



# Civil Service

## SENIOR CIVIL SERVICE

- Term in the position (4 + 4)
- Mobility
- Assessment of leadership/management competencies
- Commission of Senior Civil Servants

## FLEXIBILITY & ACCOUNTABILITY

- Annual performance agreements
- More managerial freedom (recruitment, dismissal)
- Abolishment of civil service reserve

## TRANSPARENT SALARY SYSTEM

- Introduction of performance-based payment (Introduction of the levels of payment categories based on the evaluation outcomes) JG1
- Removal of all types of bonuses, supplements
- Removal of supplement for length of service



Dia 10

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JG1

Jurgita, parašiau du variantus. I-sis sutrumpintas, antrasis - pažodinis)

Jolanta Grigienė; 24/05/2011

# Institutional framework

## ACCOUNTABLE

- Minister is fully responsible/ accountable for administration areas within his/her remit

## OPTIMAL FRAMEWORK

- Optimization of the system of government agencies (from 21 to 12)
- Reduction of the number of appropriation managers

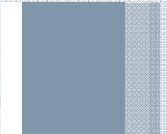
## OPTIMAL ORGANIZATIONAL STRUCTURE

- Functional reviews of ministries, government agencies, and their subordinate institutions
- Optimization of organisational structures



## Lessons learned

- Political will to implement reforms, strong leadership capacities
- Sequencing of changes – systematic approach..
- More attention to capacity development and communication
- Intensive cooperation/communication with Parliament
- More time - no big rush..
- Relevant level of maturity within civil service and political leadership.



A blue-tinted photograph of a cityscape. In the foreground, there are large, classical columns and a decorative ceiling with circular motifs. In the middle ground, a tall, white, multi-tiered bell tower with a cross on top stands prominently. The background shows a dense urban area with various buildings and a church with a dome. The sky is filled with scattered clouds.

**Thank you for your attention!**