

## SIGMA Principles of Public Administration (PPA) - Organisation for Economic Cooperation and Development



### Objective and features

#### 1. Objective

The PPA aims to strengthen the foundations for improved public governance, support socioeconomic development through building the capacities of the public sector, enhance horizontal governance, and improve the design and implementation of public administration reforms.

#### 2. Institutional coverage

National governments (of EU candidate countries, potential candidate countries, and the countries working with EU under the European Neighborhood Policy [ENP]).

#### 3. Technical coverage

PPA covers six dimensions of public administration reforms: (1) strategic framework for public administration reform, (2) policy development and coordination, (3) public service and human resource management, (4) accountability, (5) service delivery, and (6) public financial management (PFM).

Dimension 6 (PFM) covers the following areas:

- Budget management
- Internal control and audit
- Public procurement
- External audit.

#### 4. Application method

Custodian.

### Methodology

#### 5. Methodology

The framework consists of 52 indicators or principles (15 on PFM dimension), broken down into 340 individual sub-indicators (114 on PFM dimension) intended to measure the state of play in a public administration and progress in implementing reforms. SIGMA's PPA methodology provides detailed guidance on the methodology and point allocation criteria for every sub-indicator.

Benchmarking criteria exist to analyze both the state of play at a point in time and the subsequent progress a country makes toward good governance standards. Points are awarded for each criterion fulfilled, depending on its importance and relevance for a principle.

Recommendations in the assessment report form the basis for dialogue between the European Commission and the Public Administration Reform (PAR) special groups comprising senior government officials of the assessed government.

#### 6. Benchmarking system

Performance evaluation and scoring is done at the sub-indicator level. The total points of all the sub-indicators in a principle are converted into a final value for the principle or indicator from 0 to 5. Generally, a country can only receive an overall value of 2 based on the quality of its legislative and regulatory framework. A value of 3 cannot be achieved without evidence of implementation of key processes. To obtain a value of 4, the country needs to show a consistent achievement of relevant outcomes. The value of 5 is reserved for outstanding performance and full compliance with the principles and the standards for good public governance. If the required information is not available or is not provided by the administration, 0 points are given.

#### 7. Linkage to PEFA framework

SIGMA PPA covers aspects related to PEFA performance indicators: aggregate expenditure outturn (PI-1), revenue outturn (PI-3), budget documentation (PI-5), central government operations outside financial reports (PI-6), performance information of service delivery (PI-8), public access to fiscal information (PI-9), debt management (PI-13), medium-term perspective in expenditure budgeting (PI-16), budget preparation process (PI-17), payroll controls (PI-23), procurement (PI-24), internal controls on non-salary expenditure (PI-25), internal audit (PI-26), in-year budget reports (PI-28), external audit (PI-30), and legislative scrutiny of audit reports (PI-31).

#### 8. Complementarity with PEFA framework

SIGMA PPA is broader than the PEFA framework, covering a wider range of public administration elements other than PFM. SIGMA PPA provides a further drill-down in the following:

- Budget management (4 indicators with 26 sub-indicators)
- Internal control and audit (4 indicators with 19 sub-indicators)
- External audit (2 indicators with 10 sub-indicators)
- Public procurement (5 indicators with 59 sub-indicators).



### Development and use

#### 9. Development and coordination

SIGMA (Support for Improvement in Governance and Management) is a joint initiative of OECD and European Union (EU). SIGMA was regularly carrying out assessments from 1999 without any ratings or indicators. In 2014, SIGMA developed a standardized framework for Principles of Public Administration to make the assessments less subjective. External audit standards from INTOSAI and procurement standards of EU were taken to develop the principles on audit and procurement. The PPA framework was developed for ENP countries in 2017 and updated with very minor changes in 2019.

#### 10. Assessment management

Assessment planning is the responsibility of the SIGMA country manager and other senior SIGMA staff. Qualitative and quantitative data for assessment is collected through desk review and interviews with high-ranking officials at the political and administrative levels of public administration.

The assessment for preparing the monitoring reports is managed by the custodian through desk reviews of legislation, regulations, reports, and government data, among others; interviews with partner country officials; reviews of cases and samples of government documentation; observations of practice and on-site verification; surveys of the population and businesses; and surveys of contracting authorities and businesses.

The SIGMA team attribute their success in managing the assessment to a strong network with country governments and other local stakeholders facilitating seamless data collection and other aspects of coordination.

The tool custodian provides quality assurance, including validation of country responses by the assessed administration. To facilitate interpretation of legal provisions and policy framework, SIGMA conducts interviews with CSOs, academics, and other stakeholders, and analyzes relevant jurisprudence and academic literature. Data received from the administration on the performance of service delivery mechanisms is triangulated with other sources of information on each topic.

#### 11. Uses by the government and members of the PFM community

SIGMA's partner countries use the data and analyses to inform their own public administration reform activities. The European Commission (EC) reviews the progress made by EU candidate and potential candidate countries in several areas of public administration reform (PAR). Assessment findings feed into the EC's annual progress reports and technical assistance programs.

The primary objective of SIGMA is to support partner countries in improving public administration. SIGMA assessment findings may be used by international financial institutions such as the World Bank and IMF to structure their aid and development programs.

#### 12. Sequencing with other tools

The tool may not be sequenced with any other tools as it is a unique tool having broad coverage in the area of public administration. However, PFM-function-specific tools in the areas of procurement, audit, or treasury and cash management can be used to complement the findings if weaknesses are found through the SIGMA assessments.



#### 13. PFM capacity building

PPA reports provide repeated recommendations as well as new recommendations which are structured into long-, medium-, and short-term reform initiatives. Ex-post capacity building initiatives resulting from the assessment are as follows:

- SIGMA regularly organizes workshops and conferences with partner countries to share good practices.
- SIGMA helps supreme audit institutions (SAIs) and public procurement institutions of partner countries in formulating strategic development plans and action plans for reforms.
- SIGMA collaborates with CSOs through a project called WEBER (a regional association of CSOs).

A strategy toolkit for public administration reform is also available in English and French to guide the reader through each stage of development, implementation, monitoring, and overall management of public administration reform strategies.

#### 14. Tracking of changes and frequency of assessments

The monitoring reports briefly capture the main developments and progression in scores of a country from the last assessment. The scores from the last monitoring report are compared with the current scores and are analyzed to ensure that assessments are objective and backed by evidence, and that changes in successive assessments provide a reliable measure of progress. Recommendations are tracked from one assessment to the other.

The frequency is aligned with the timelines of EC annual reports. Full assessments are carried out every two to three years with partial assessments (i.e., monitoring) being conducted in between to provide input to the EC annual reports.

#### 15. Resource requirements

Cost of assessments are covered as part of the overall grants provided to SIGMA. Planning for assessments starts one year in advance. The assessment team start their work six months prior, and the actual time taken for on-site visits, drafting, and validation takes about three months.

### Transparency

#### 16. Access to methodology

The PPA is available. The Methodological Framework of the Principles of Public Administration (PPA) is [available](#).

#### 17. Access to assessment results

Baseline measurement reports (full assessments) and the subsequent monitoring reports (partial assessments) analyzing the performance against the Principles of Public Administration are [available](#). Assessment reports on the reviews carried out against the principles and a strategy toolkit for the development and implementation of public administration reform (PAR) and sector strategies are [available](#).