

From State Administration to Public Administration: How Can Public Administration Assessment Be Conducted in Belarus?

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Summary

This paper discusses various aspects and problems related to the reform of the Belarusian public administration system. First, a general description of the situation in the sphere of public administration is discussed and its most obvious weak points are outlined. Further, some of the possible approaches to reforms are described, as well as the so-called "principles of good governance", which usually act as a substantive basis of public administration and are still little known in Belarus. After that, the paper examines the strategic framework of public administration reform (SIGMA), explains its methodology, and analyzes one of the areas - "public financial management". Based on the assessment of the latter, we can conclude that the SIGMA methodology can be applied to assess public administration in Belarus with some technical and political limitations.

INTRODUCTION

In many post-Soviet countries, as well as in the countries of Central-Eastern and Southern Europe, consistent reforms in the field of public administration are considered fundamental for improving the functioning of the state apparatus and the national economy. This is exactly the approach to reform supported by international organizations. In these countries, like in Belarus, there are complex socio-political and economic contexts and various kinds of challenges, but nevertheless, their governments started and, with varying degrees of success, are moving towards reforming their public administration systems. The fundamental difference between the contexts in these countries and Belarus is that there is a political will to carry out reforms, while the Belarusian government does not aim at such goals due to the dominance of one subject (the president) in the political sphere. Nevertheless, the approach of various international organizations and initiatives that focus on the reform of public administration can help analyze the current situation in public administration in Belarus and provide a methodology to assess its various components. This preliminary assessment can be useful in highlighting problems and preparing a roadmap for future reforms in the area.

The so-called principles of "good governance", such as accountability, predictability, openness, transparency, and others, often serve as the substantive and value basis for public administration reforms and their transition to a new quality level. These principles create the basis for the functioning of the whole system, as well as outline the mechanisms to make it accountable to society. In our paper, these principles are considered meaningful guidelines for politicians who, having the appropriate political will and authority, are interested in carrying out the reform of the public administration system in Belarus. We are also conducting an "exercise" to assess one of the areas of public administration (public financial management) using the methodology by the Support for Improvement in Governance and Management (SIGMA) initiative¹, to see to what extent it is applicable in Belarus and could be used for analysis in the future.

The paper begins with a brief description of the current context and the main problems in the field of public administration in Belarus. Then, general approaches to reform are presented, as well as the principles of "good governance" as creating a regulatory basis for reform. The next chapter presents the developed and suggested approach to the reform of public administration. It also describes the key areas of reform (the principles) the approach envisages. In conclusion, an analysis of the public finance system based on the SIGMA methodology is made and conclusions are drawn.

¹ The SIGMA initiative is a joint product of the Organization for Economic Cooperation and Development (OECD) and the European Union (EU). For more details, see: <https://sigmaweb.org/ouexpertise/>

CURRENT CONTEXT AND PROBLEMS IN PUBLIC ADMINISTRATION SPHERE IN BELARUS

Since Belarus is a super-presidential republic by the type of governance, the main powers are concentrated in the hands of one person (the president). There is no real separation of powers between the legislative, executive, and judicial branches. The society has virtually no mechanisms of control to restrain and limit the power of the president, and most of the authorities are directly or indirectly accountable to and controlled by the president. This makes the political system in Belarus unbalanced and vulnerable to the accumulation of excessive power in one person's hands and leads to the atrophy of state institutions, primarily the legislative bodies (national and local), as well as the judicial system.

Prior to the political crisis of 2020, the problem of rivalry/competition and coordination between different government agencies was an acute one within the realm of public administration.² Circumstantial evidence suggested that there were contradictions between the goals and interests of various ministries and departments, with, for example, supposedly liberal ministries proposing economic reforms and security ministries proposing repressive measures. As the political crisis worsened, it became obvious that the problem of competition between the agencies was resolved in favor of the power bloc, which obviously has *carte blanche* in a situation where the main task of the political system is to keep Aliaksandr Lukashenka in power.

At the same time, a peculiar "tug-of-war" in the executive branch occurs between the Presidential Administration and the government (Council of Ministers). However, since the President has the right not to accept any recommendations of the government, the latter is in a subordinate position. This problem is not unique to Belarus, but there is no working mechanism of checks and balances: instead of coordinating positions at the level of the Council of Ministers and taking into account public interests, the "supreme judge" is the Presidential Administration which is guided by principles of personal loyalty, not public interest.

The main weaknesses and problems of the public administration system (the executive branch, in particular) are due to the overall imbalance of the political system. Ministries are not engaged in policymaking, but in executing directives from the Presidential Administration, the Security Council, and other structures close to the president. State policies are developed not on the basis of data obtained through research (e.g., surveys, statistics) and for socially significant purposes, but to fulfill arbitrary directives from the president.

The state lacks an adequate legal framework that would regulate public service and public administration. In particular, there is no law on state administration (public administration), which would define its basic principles and tasks. As a result, government

² Polina Makarova. Government: Perfect Storm Ahead (In Russian) // Belarusian Yearbook 2020: <https://nmnby.eu/yearbook/2020/page2.html>

agencies are overloaded with routine orders and requests from superior agencies. The 2003 law on civil service has been updated many times; a new version of this legal act is currently under parliamentary review, but it has not been presented for public discussion. The dependence of civil servants on their supervisors (like in other spheres) is enshrined, among other things, by the short-term nature of their contracts.

There is a problem of lack of transparency and unfair conditions of employment in the civil service. Vacancies in public administration are not posted for open and inclusive competition. There is a widespread nepotism ("blat" - preferential treatment for friends and relatives) when hiring and appointing to senior positions. There is also no proper system of competitive recruitment of qualified professionals, verifying their qualifications, and offering career advancement opportunities to the most effective employees. The main criterion for appointments to government positions is loyalty. The main tool of personnel policy is direct appointments, with the Presidential Administration serving as the main staffing body.

Additional difficulties arise in the training of civil servants. The Academy of Management under the President enjoys a monopoly here and is in fact a compulsory stage in civil servants' careers. However, the quality and actual value of training at the Academy of Management are questionable.

A separate issue is the lack of transparency in decision-making with many government documents marked "for official use" and inaccessible to the general public without sufficient justification. For example, the decree of the Council of Ministers of February 17, 2021 'On Socio-Economic Development of the Republic of Belarus for 2021' was released marked "For official use only", although in previous years, these decisions were freely available.

It is also worth noting that there are problems with implementing socially important functions and providing services that are under the authority of government agencies. Belarusian civil servants work not on strategic tasks, but on what appears politically expedient to the president and the Administration at the moment or on the implementation of arbitrarily set "target indicators". For example, during the period of active protest activity (August-December 2020), city utilities and rescue services were often busy removing flags and destroying other visual protest symbols instead of performing their primary functions.

There is virtually no local self-government in Belarus. Local councils of deputies (which are actually appointed, rather than elected) de facto only approve draft budgets. Since they are not accountable to the citizens, they are not interested in solving local problems. Just like the members of parliament, they are more a part of "the power vertical" than a proper legislative and representative power. The ability of local authorities to pursue independent policy is limited. Budgeting is strictly top-down, hierarchical, and centralized. At the same time, there is no separate ministry responsible for regional development.

In the field of public financial management, the most important decisions are also made by one official - the president. Despite the fact that Belarus formally provides for mechanisms of parliamentary discussions of draft budgets and other budgetary issues, in reality the deputies do not decide anything and only approve proposed draft budgets. At the same time, the president has the real authority to make changes to the draft. He often personally negotiates loans with external creditors, while the role of the Ministry of Finance becomes secondary. Local officials are afraid to consider public opinion when drafting the budget out of fear of the negative impact of this behavior on their career prospects: interaction with active citizens and allocation of funds for their initiatives can be interpreted as disloyalty.

The supreme supervisory body, the State Control Committee, is not independent enough to function effectively as a full-fledged external audit body. All these factors reduce the efficiency of the budgetary process, negatively affects transparency, accountability and predictability, and eliminates any opportunities for the public to influence the budget policy.

Thus, there is currently a whole range of problems in Belarus in the sphere of public administration, from public policy development to public financial management. At the same time, before the political crisis of 2020, the state was providing an acceptable level of public services (it was especially evident in the sphere of infrastructure, statistics, cadasters, etc.³). However, as the political situation deteriorates, it becomes apparent that the government easily abandons the quality of service delivery in favor of political expediency. One striking example of this is the postal services which are no longer provided in sufficient quantity and quality for people who are imprisoned and detained for political reasons and in most cases are not even convicted. For these people, there is a problem of delivering correspondence, subscribing to periodicals, etc.

³ Antoaneta Dimitrova, Honorata Mazepus, Dimiter Toshkov, Tatsiana Chulitskaya, Natallia Rabava & Ina Ramasheuskaya (2021) The dual role of state capacity in opening socio-political orders: assessment of different elements of state capacity in Belarus and Ukraine, *East European Politics*, 37:1, 19-42.

APPROACHES TO PUBLIC ADMINISTRATION REFORM AND PRINCIPLES OF GOOD GOVERNANCE

In today's world, there are many approaches to reforming public administration systems. However, since reform projects are usually supported (including financially) by various international organizations, we can talk about several relatively standard models. At the same time, it should be taken into account that in reality even reforms carried out according to unified standards may differ significantly, depending both on the administrative culture of the country and the different starting points at which governments find themselves before the changes begin.

Three models of public administration reform are often described:

1. Introducing **rationalized structures and processes** into the government system (the so-called "Weberian" reform). It is based on the transformation of a "manual" system of government into a modern system of administration with transparent procedures, a civil service with a merit-based system and the rule of law. At the same time, legality and hierarchy are seen as key characteristics of this approach.
2. **Reforming according to the principles of new public management (NPM)**, which involves the introduction of market mechanisms and business management logic into the system of public administration. The main emphasis is placed on improving the efficiency, productivity and the innovative nature of the system.
3. **A mixed model, combining elements of Weberian bureaucracy with NPM**. This model is sometimes called post-Weberian or third generation reforms (new public governance). It attempts to combine the Weberian principles of impartiality, legality and neutrality with NPM tools that seek to strengthen the accountability of the entire system to citizens and public demands. Within this model, a kind of "rediscovery of the state" is also taking place, which moves away from the typical NPM fragmentation, transitions to the level of network governance, and builds new systems of political control and accountability. The main focus is on a system of coordination, efficiency, and obtaining necessary outcomes.⁴

At the same time, either of these reform models may be rarely seen in their "pure" form.

Another important point for both the choice of a reform model and the awareness of the need for reforms at the level of political elites and society as a whole is the factors that push or even provoke the government to start reforms after all. Based on the example of studies conducted in EU countries, we see a wide range of such factors, which include: European integration (and EU requirements), i.e. external influence; changes/change of government; budgetary pressure or budgetary crisis; initiatives and pressure from international

⁴ Thijs, Nick, Gerhard Hammerschmid, and Enora Palaric. "A comparative overview of public administration characteristics and performance in EU28." *European Commission, Brussels* (2017).

organizations; accidental events; public pressure/demands from society and/or business; demographic crisis, etc.⁵ However, which particular factor, and where, and why, can become a catalyst for reform depends on each country and its specific context.

At the same time, we can say that, regardless of the model of reform, they all tend to share a common content, which is called good governance principles.

⁵ Ibid.

GOOD GOVERNANCE PRINCIPLES AS BASIS FOR PUBLIC ADMINISTRATION REFORM

Reforms in public administration must be based primarily on a change in its conceptual foundations. SIGMA and other international projects and organizations identify and propose a similar set of such foundations for further adoption⁶, some of which are discussed in this subsection.

Civic participation in decision-making

Public participation in decision-making (or civic participation) is the actions of citizens and their associations in socially significant areas in order to influence the decisions of central and local authorities. In order to participate fully in politics, citizens must be informed and be able to unite in organizations and other public structures.

The growing attention to approaches that include various forms of citizen participation in decision-making is largely due to the need to overcome, according to a number of researchers, the existing apathy and alienation of society from political processes in developed democracies, as well as the declining interest of citizens in classical forms of political participation (such as elections, political party membership, etc.)⁷. It is believed that the current model of representative democracy does not necessarily take into account the needs and requirements of different (including vulnerable) groups when making political decisions. People not only want to be able to vote every few years, but also to have more influence on the decisions that determine their lives (especially at the local level). Therefore, direct forms of participation are now becoming popular in democracies, providing a greater degree of citizen involvement in the decision-making process.⁸ Citizen participation can be both individual (for example, individual appeals to authorities) and collective (creation of self-government structures, etc.).

The principle of civic participation in decision-making is included in modern approaches to public policy formation. For example, the implementation of evidence-based policy requires broad consultations with various stakeholder groups, while the results of public consultations are mandatory in regulatory impact assessment and serve as one of the main sources of information.

⁶ These principles may not be exactly the same in different organizations, but in spite of the differences, their underlying content is similar. For an example of the good governance principles of the Council of Europe, see: <https://www.coe.int/en/web/good-governance/12-principles>

⁷ Dalton, Russell J. "Citizenship norms and the expansion of political participation." *Political studies* 56, no. 1 (2008): 76-98.

⁸ Ibid.

The basic principles of civic participation of civil society organizations (CSOs) are enshrined in the Code of Good Practice for Civil Participation in the Decision-Making Process (Council of Europe, 2019) and include⁹:

- 1) **Openness**, that is, CSOs must represent the views and opinions of their target audiences, members, supporters, and interested citizens;
- 2) **Trust** between sectors of society, in particular between civil society and the authorities;
- 3) **Recognizing the independence of CSOs** from state authorities in formulating their goals, decision-making, and activities;
- 4) Civil society **participation** in consultation mechanisms (e.g., working groups, consultations). Transparency, accessibility, non-discrimination, inclusiveness, and accountability are additional principles of civic participation.

International documents describe the principle of civic participation as an important component of a system of "good governance".¹⁰ The impact of public participation on the quality, relevance, and effectiveness of policies is noted, as is the increase in trust in institutions and policy decisions. They also emphasize the need to ensure civic participation at all stages of the public policy cycle (development, adoption, implementation, monitoring, and evaluation). At the same time, the developers of SIGMA place special emphasis on ensuring citizen participation in political decision-making through public consultations at the stage of policy/legislation development. Such consultations are supposed to be conducted in a regular and planned manner, and their purpose and process should be clear to all stakeholders. Stakeholders from the public administration, relevant government bodies, the private sector and civil society are identified as participants in the consultations. The consultation process must be transparent and ensure equal access for all groups to ensure that personal interests do not affect public needs.

The SIGMA approach demonstrates that, at the policy formation stage, **the key requirement is that an inclusive and evidence-based policy and legislative process ensure that policy goals are met.** We can see an articulation of this in the requirement that policies and legislation be developed in an inclusive manner, ensuring active public participation and opportunities to coordinate different viewpoints across government agencies. In addition, effective public consultation procedures must be implemented and consistently applied, timely opportunities for involvement of all stakeholders must be provided, and responsible government agencies must have sufficient resources to analyze and utilize the responses of consultation participants. In addition, there should be a mechanism for resolving interagency conflicts at the decision-making stage.

Efficiency

⁹ Council of Europe (2019). Code of Good Practice for Civil Participation in the Decision-Making Process <https://www.coe.int/en/web/ingo/civil-participation>

¹⁰ European Governance. A White Paper <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A52001DC0428>

The efficiency principle in public policy involves assessing how well the costs of implementing a policy relate to the results obtained in the course of its implementation. That is, what specific quantitative results each financial investment has led to. In contrast to business, where there is a clear system of developed financial indicators (goals in business processes are usually expressed in financial indicators), it is not always possible to make an unambiguous assessment of whether the decision made and the selected policy option are cost-efficient during the development and implementation of one of the policy options. In addition, the resources required to implement a policy can be measured not only in monetary terms, but also in terms of time, human resources, reputational costs, etc. Therefore, it is not appropriate to measure the results solely in financial terms. However, the principle of efficiency must be taken into account, especially in areas related to the management of public finances, such as public procurement.

In the framework of the SIGMA methodology, efficiency is defined not only through financial indicators, but also through the citizens' assessment. "Citizens' perceived efficiency of administrative procedures" could serve as an example. This sub-indicator represents the percentage of citizens who consider the administrative procedures provided by the authorities to be efficient.

Another example of how this principle is translated into concrete and comparable indicators is the "time it takes to hire a civil servant" sub-indicator. This sub-indicator assesses, in calendar days, the time that passes from posting a vacancy to the moment the results of applicant selection are published (the time needed to process an employee is not taken into account). In this case, it's not so much about money as it is about time-efficient management.

SIGMA experts note that the principle of efficiency in public administration may, at first glance, contradict the principle of the rule of law since the implementation of the numerous legal requirements and necessary procedures may not be the cheapest option and, accordingly, have a negative impact on the cost-benefit ratio. However, there are ways to solve this contradiction. One of them is to outsource some services. For example, hiring companies from the private sector to perform them more efficiently, while the public administration system retains policy-making and control over compliance with established standards.

Thus, the principle of cost-efficiency is one of the most important for the assessment and reform of public administration. Both citizens and the SIGMA methodology suggest that budgetary funds should be used wisely and rationally.

Effectiveness

This principle states that it is necessary to evaluate to what extent the set goals in public administration are successfully achieved and the existing problems are solved. This principle implies that implemented public policies in various spheres should be constantly monitored, analyzed and evaluated with respect to the achievement of the goals and objectives set, as well as how well they are implemented. The performance requirement is one of the key and frequent requirements at all levels of detail of the SIGMA methodology.

One example of the application of this principle is the assessment of the government's organizational structure, which involves assessing the extent to which the existing configuration of the government (number of ministries, reporting, accountability, etc.), contributes to the achievement of its goals. Often, the indicators related to the assessment of effectiveness assume the existence of independent institutions that can look "from the outside" and make this assessment, as well as their protection from government influence (for example, the institute of the ombudsman).

Another example of applying this principle in the SIGMA methodology is the assessment of complaint handling system effectiveness in public procurement. This is an assessment of a "lower", more detailed level. It concerns a specific area and requires/assesses the effectiveness of its particular aspect. As we can see, the performance requirement can be applied both to complex systems or processes, such as any reform, and to the evaluation of specific and narrow procedures.

The effectiveness principle is one of the "oldest" and key principles both for assessing existing public administration systems and their individual procedures/services, and for shaping the patterns and methods of its reforms.

Reliability

One of the main tasks of a government is to minimize uncertainty in the economic, social, and political environment. Natural disasters, pandemics, and financial crises raise questions about citizens' confidence in governments, which must formulate policies to mitigate their possible negative effects.

Reliability implies a system of government that is free from various deviations: corruption, nepotism, patronage, and the seizure of power by those who are guided by their own self-interest. In addition, it is important to guarantee property rights and individual rights, as well as to achieve a certain kind of social stability. These conditions provide a certain degree

of reliability and predictability, which are important for decision-making for other actors (particularly businesses).¹¹

A sound policy-making process requires a long-term strategy for the development of the public sector. Such a strategy should include strengthening planning functions and improving the monitoring system, including evaluation by specialized structures and regular reports by public authorities on their implementation progress.¹²

Within the SIGMA methodology, for example, reliability is mentioned in connection with the strategic reform agenda in public administration and the principle stating that *“The policy and legal frameworks for a professional and coherent public service are established and applied in practice; the institutional set-up enables consistent and effective human resource management practices across the public service”*.

Accountability

The accountability principle implies that public policy actors are responsible for their decisions. They must not only inform the public about the decisions they make, but also provide detailed explanations. In addition, there are effective means of protection against mismanagement and the actions of local authorities, which can potentially negatively affect civil rights.

In the SIGMA methodology, the accountability of public policy is highlighted as a separate area. The key requirement is that “proper mechanisms are in place to ensure accountability of state administration bodies, including liability and transparency”. The principles interpreting the requirement of accountability include: the rationality of the central government; the existence of functioning mechanisms to protect human rights to good administration; legislative enactment and the ability to apply the right of access to public information; judicial review in matters related to public administration and violations in this area; responsibility of public authorities for wrongdoing, including in cases of culpable breach of duty of a public servant; etc.

Predictability

Predictability relates to the consistent application of the rule of law and the policies, rules, and regulations that provide for it. Predictability refers both to the existence of policies and laws governing various areas of public life and to their consistent application. It is believed that the very existence of public administration institutions would be impossible without this

¹¹ Stivers, C. (Ed.). (2001). *Democracy, Bureaucracy, and the Study of Administration* (1st ed.). Routledge. <https://www.taylorfrancis.com/books/edit/10.4324/9780429501036/democracy-bureaucracy-study-administration-camilla-stivers?refId=eb9ed587-27cf-4188-a7bc-fb1d7b87ac9f>

¹² OECD. *Trust in Governance. Reliability*: <https://www.oecd.org/gov/trust-reliability.htm>

principle. Predictability is closely related to the rule of law, which holds the state, state institutions, businesses and citizens responsible for its observance. Predictability is also extremely important for the economic sphere and, in particular, for investments, the decision on which is a rational risk assessment in order to reduce possible transaction costs. At the same time, arbitrary behavior of the authorities should be minimized. Otherwise, unpredictability in the field of regulation leads to an increase in the cost of capital and investment risks.

The predictability principle also includes the requirement for consistency in public policy. The government has the difficult task of being both consistent and flexible in its policies, taking into account changing circumstances, as well as of making mid-level changes when necessary. At the same time, when there is a change of government, it is natural for public policies to change according to the priorities of the politicians/parties that come to power. However, a certain consistency is important even in this case, and it is good when there are no radical changes in the preceding course. Predictability can also be ensured by certain institutional settings, within which a certain independence of institutions (in particular economic ones, such as the central bank) from political influence is ensured.¹³ SIGMA refers to predictability as a general principle in the context of the development and coordination of public policy, as well as the legislative foundations and practices governing public service.

Openness

Openness in policy and governance means the disclosure of publicly relevant information and the participation at different stages of the policy cycle of actors outside the public sphere, which include business, civil society organizations, and, in a broader sense, citizens. This principle is based on the idea that citizens and governments can work together to achieve better outcomes.¹⁴

Openness helps to avoid information asymmetry, which makes it possible to include information from stakeholders distinct from the state in the processes of public policy and public administration; to ensure the separation of goals and consistency of strategies when stakeholders jointly define and agree on them; it also helps to build trust.¹⁵

Under SIGMA, openness, for example, is discussed as part of the general requirements for public procurement.

¹³ Asian Development Bank (1995). <https://www.adb.org/sites/default/files/institutional-document/32027/govpolicy.pdf>

¹⁴ World Bank blogs (2014). <https://blogs.worldbank.org/governance/openness-key-effective-and-inclusive-development>

¹⁵ The innovation Policy Platform <https://www.innovationpolicyplatform.org/www.innovationpolicyplatform.org/content/openness-policy-and-governance/index.html>

Transparency

Transparency in public policy is one of the key principles of good governance in democratic political systems. Transparency is determined by the degree of public awareness about the activities of government bodies; and the level of trust between the state and society depends on the full implementation of this principle. In turn, trust can be expressed in the support of political decisions by society, which greatly increases the effectiveness of their implementation.

Transparency in public policy is also a fundamental element for eliminating corruption, which is known to threaten good governance, lead to imbalances and inequities in the allocation of resources, and harm public and private sector development. Accordingly, the combat against corruption in cooperation between government, citizens, and the private sector leads to transparency.

In implementing the transparency principle, decisions in public administration and the adoption processes are open to scrutiny by other institutions of public administration, civil society, and the general public. And all this is regulated by appropriate normative legal acts and ethical norms. At the same time, information related to public administration is publicly available even if there is no clear legal obligation to make it public (for example, to protect personal data or ensure procedural fairness of procurement procedures). Information about decisions, policy implementation, and results is made publicly available in such a way that the public can effectively monitor the authorities.¹⁶

The SIGMA methodology refers to transparency within the scope of policy development and coordination, with the basic requirement stating that the public policy process is coherent and supports the government's ability to achieve its goals and that policy coordination ensures that decisions are professionally and transparently made. In doing so, the principles include a system of continuous monitoring of plans that provides opportunities for public oversight and ensures that goals are met and that policy and legislative decisions are prepared in a transparent manner and on the basis of professional evaluations. In addition, the principle of transparency is an important component of accountability, the core requirement of which is the existence of appropriate mechanisms to ensure accountability of public bodies, while the right of access to public information is enshrined in law and consistently applied in practice.

Thus, the principles of "good governance" provide a substantive basis for the functioning of governments and public administration. In turn, the SIGMA methodology uses them as benchmarks and principles for reforming and ensuring the effective functioning of the state apparatus.

¹⁶ Council of Europe. 12 Principles of Good Governance <https://www.coe.int/en/web/good-governance/12-principles>

SIGMA REFORM APPROACH: METHODOLOGY

The methodology proposed by the SIGMA initiative describes the structure and sequence of steps to reform the public administration system and their evaluation. These steps can be carried out both as part of the state's preparation for accession to the European Union (EU) or without pursuing this goal.

There is a dedicated document, *The Principles of Public Administration: A Framework for ENP Countries*¹⁷, that describes the recommendations for the countries that are part of the European Neighborhood Policy, which includes Belarus. In this paper, we use the methods, approaches, and principles proposed by SIGMA for such countries. As noted earlier, it makes sense to follow the recommendations of this document if the goal of public administration reform is to bring it closer to "good governance" with all its key attributes.

Since 2014, the European Commission has defined the scope of public administration reform in six key areas:

1. the strategic framework for public administration reform;
2. policy development and co-ordination;
3. public service and human resource management;
4. accountability;
5. service delivery;
6. public financial management.

For each of these areas, there are principles to be followed in implementing reforms. However, in order to implement them and coordinate them with the other areas, some prior actions need to be taken. In the SIGMA methodology, these are called **key requirements**. Here is an example of such a **requirement**:

The constitutional and legal framework guarantees the independence, mandate and organisation of the supreme audit institution to perform its mandate autonomously according to the standards applied for its audit work, allowing for high quality audits that positively impact on the governance and functioning of general government institutions.

And here is an example of **the principle** itself, which develops and specifies one of the areas of improvement in this domain:

¹⁷ SIGMA principles overview: <http://www.sigmaxweb.org/publications/Principles-ENP-%20Overview-Eng.pdf> The principles: <http://www.sigmaxweb.org/publications/Principles-ENP-Eng.pdf> A methodological framework for analysis: <http://www.sigmaxweb.org/publications/Methodological-Framework-for-the-Principles-of-Public-Administration-ENP-Countries-May-2018.pdf>

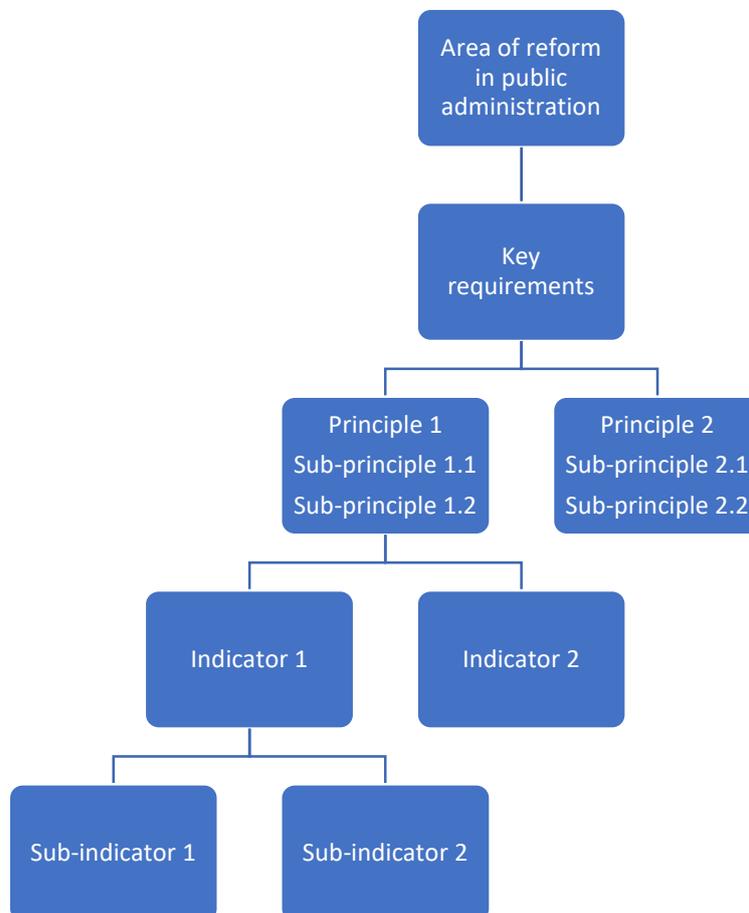
An example of a principle: *The independence, mandate and organisation of the supreme audit institution are established and protected by the constitutional and legal frameworks and are respected in practice.*

The principles are articulated in terms of goals and/or objectives for reform in one area. In order to better understand the meaning and have a detailed guidance for action, each of the principles is broken down into a number of more **sub-principles**, detailing different aspects of the principle's effect. This is another "step down" from more general and abstract requirements to more specific and understandable actions.

An example of a **sub-principle** for the principle used above (one out of eight): *The supreme audit institution is empowered and required by the constitution to report its findings annually and independently to the parliament and the reports are published independently by the supreme audit institution.*

In order to be able to monitor the status of reforms in a given state, **indicators** for assessing changes are also proposed. They can be both quantitative, measured in specific indicators (e.g., *national debt size*), and qualitative (e.g., *the extent to which the recruitment of civil servants is merit-based*), based on expert surveys. Indicators make it possible, if necessary, to assess the current state of affairs, to obtain an evaluation - for example, to monitor the progress of future reforms.

Let us illustrate the structure in a diagram.



This seemingly cumbersome structure enables those who plan or evaluate reforms to act across all areas of public administration reform without losing any important components and to reform different areas in close connection with one another. Many reforms are known to fail because "neighboring," closely related spheres, do not take this into account or proceed quite differently in general. For example, the government can take on the fight against corruption by reforming the public procurement system. But will the reformed system be more effective compared to the old system if the structure, motivation, recruitment, promotion, and dismissal principles remain unchanged? Or, on the contrary, the government plans to reform the civil service in the context of limited time and financial resources, when the top management is busy with other tasks and the implementers of the proposed changes must simultaneously carry out their primary day-to-day work. Clearly, in the given context, the success of this initiative is more than questionable. The SIGMA methodology does not, in theory, deny the possibility of implementing individual sectoral reforms (e.g., public finance) in accordance with these principles, but in that case, one should take into account the limitations associated with the "insularity" of the reforms.

Going back to the main areas of public administration reform indicated by SIGMA, it is important to note that the priority among them is the strategic framework for the reform of the entire system. In SIGMA's view, this is the most important area, and without it, reforms in all other areas would be ineffective.

Let us present the full the structure of these six areas, or tracks, without yet taking into account the lower levels of subprinciples and indicators.

STRATEGIC FRAMEWORK OF PUBLIC ADMINISTRATION REFORM

Key Requirement: *The leadership of public administration reform is established, and the strategic framework and administrative resources provide the basis for implementing prioritised reform activities aligned with the country's financial circumstances.*

- **Principle 1:** An effective public administration reform agenda is developed which addresses key challenges and is systematically implemented and monitored.
- **Principle 2:** The financial sustainability of public administration reform is ensured.
- **Principle 3:** Institutions involved in public administration reform have clear responsibility for reform initiatives and the capacity to implement them.

POLICY DEVELOPMENT AND CO-ORDINATION

Policy planning and co-ordination

Key Requirement: *Policy planning is harmonised and supports the country's ability to achieve its objectives; policy co-ordination ensures that decisions are prepared in a transparent and professional manner.*

- **Principle 1:** Medium term policy planning is harmonised, with consistent system wide objectives, and is aligned with the financial circumstances of the state; sector policies meet the overall objectives set by the leadership and are consistent with the medium term budgetary framework.
- **Principle 2:** Regular monitoring of performance against the plans enables public scrutiny and ensures the achievement of stated objectives.
- **Principle 3:** Policy and legislative decisions are prepared in a transparent manner and based on the administration's professional judgement.
- **Principle 4:** The parliament oversees government policy making.

Policy development

Key Requirement: *Key requirement: Inclusive, evidence based policy and legislative development enables the achievement of intended policy objectives.*

- *Principle 5:* The organisational structure, procedures and staff allocation of the responsible state institutions ensure the capacity to develop and implement policies and legislation that meet medium term and annual objectives and plans.
- *Principle 6:* The policy making and legal drafting process is evidence based, and impact assessment is regularly used across ministries.
- *Principle 7:* Policies and legislation are designed in an inclusive manner that enables the active participation of society and allows for co ordinating perspectives within the administration.
- *Principle 8:* Legislation is consistent in structure, style, and language; legal drafting requirements are applied consistently across ministries; legislation is made publicly available.

PUBLIC SERVICE AND HUMAN RESOURCE MANAGEMENT

Policy, legal and institutional frameworks for public service

Key requirement: The scope of the public service is clearly defined and applied in practice so that the policy and legal frameworks and institutional set up for a professional public service are in place.

- *Principle 1:* The policy and legal frameworks for a professional and coherent public service are in place; the institutional set up enables consistent and effective human resource management practices across the public service.
- *Principle 2:* The scope of public service is adequate and clearly defined.

Human Resource Management

Key requirement: Professionalism of public service is ensured by good managerial standards and human resource management practices.

- *Principle 3:* The recruitment of public servants, including those holding senior managerial positions, is based on merit and equal treatment in all its phases; the criteria for demotion and termination are explicitly stipulated by law and limit discretion.
- *Principle 4:* The remuneration system of public servants is based on the job classification; it is fair and transparent.
- *Principle 5:* The professional development of public servants is ensured; this includes regular training, fair performance appraisal, and mobility and promotion based on objective and transparent criteria and merit.
- *Principle 6:* Measures for promoting integrity, preventing corruption and ensuring discipline in the public service are in place.

ACCOUNTABILITY

Key requirement: *Proper mechanisms are in place to ensure accountability of state administration bodies, including liability and transparency.*

- *Principle 1:* The overall organisation of central government is rational, follows adequate policies and regulations, and provides for appropriate independent accountability.
- *Principle 2:* Functioning mechanisms are in place to protect both the rights of the individual to good administration and the public interest.
- *Principle 3:* The right to access public information is enacted in legislation and consistently applied in practice.
- *Principle 4:* Fair treatment in administrative disputes is guaranteed by internal administrative appeals and judicial reviews.
- *Principle 5:* The public authorities assume liability in cases of culpable breach of duty of a public servant and guarantee redress and/or adequate compensation.

SERVICE DELIVERY

Key requirement: *Administration is service delivery oriented; the quality and accessibility of public services is ensured.*

- *Principle 1:* Policy for service delivery focused state administration is in place and applied.
- *Principle 2:* Good administration is a key policy objective underpinning the delivery of public service, enacted in legislation and applied consistently in practice.
- *Principle 3:* Mechanisms for ensuring the quality of public service are in place.
- *Principle 4:* The accessibility of public services is ensured.

PUBLIC FINANCIAL MANAGEMENT

Budget Management

Key requirement: *The budget is formulated in compliance with transparent legal provisions and within an overall multi-annual framework, ensuring that the general government budget balance and the debt-to-gross domestic product ratio are on a sustainable path.*

- *Principle 1:* The government publishes a medium-term budgetary framework on a general government basis that is founded on credible forecasts and covers a minimum period of three years; all budget institutions operate within it.

- *Principle 2:* The budget is formulated in line with the national legal framework, with comprehensive spending appropriations that are consistent with the medium-term budgetary framework and are observed.

Key requirement: *Accounting and reporting practices ensure transparency and public scrutiny over public finances; cash, assets and debt are managed centrally, in line with legal provisions.*

- *Principle 3:* The central budget authority, or authorised treasury authority, centrally controls disbursement of funds from the treasury single account and ensures cash liquidity.
- *Principle 4:* There is a clear debt management strategy in place and implemented so that the country's overall debt target is respected and debt servicing costs are kept under control.
- *Principle 5:* Budget transparency and scrutiny are ensured.

Internal control and audit

Key requirement: *A policy for internal control, including internal audit, is applied throughout the public administration.*

- *Principle 6:* The operational framework for internal control defines responsibilities and powers, and is implemented by general budget institutions in line with the overall internal control policy.
- *Principle 7:* The operational framework for internal audit reflects international standards and is applied consistently by government institutions.

Public procurement

Key requirement: *Public procurement is regulated by duly enforced policies and procedures, ensures an independent, transparent, effective and efficient remedies system, and is supported by suitably competent and adequately resourced institutions.*

- *Principle 8:* Public procurement regulations are aligned with internationally recognised principles of economy, efficiency, transparency, openness and accountability; there is central institutional and administrative capacity to develop, implement and monitor procurement policy effectively and efficiently.
- *Principle 9:* The remedies system is aligned with applicable agreements and international regulations and with internationally recognised good practice of independence, probity and transparency and provides for rapid and competent handling of complaints and sanctions.

- *Principle 10:* Public procurement operations comply with basic principles of equal treatment, non-discrimination, proportionality and transparency, and ensure the most efficient use of public funds; contracting authorities have appropriate capacities and use modern procurement techniques.

External Audit

Key requirement: The constitutional and legal framework guarantees the independence, mandate and organisation of the supreme audit institution to perform its mandate autonomously according to the standards applied for its audit work, allowing for high quality audits that positively impact on the governance and functioning of general government institutions.

- *Principle 11:* The independence, mandate and organisation of the supreme audit institution are established and protected by the constitutional and legal frameworks and are respected in practice.
- *Principle 12:* The supreme audit institution applies standards in a neutral and objective manner to ensure high quality audits, which positively impact on the governance and functioning of the public sector.

As one can see, both requirements and principles in the SIGMA approach are stated "in the past tense" (as if they had already been met). Thus, by asking a simple question, "is this true?" and answering (simplistically) "yes" or "no", one can see whether the change has been implemented. And vice versa, when planning public administration reforms, these statements can be taken as the "end point" or a goal of change.

The SIGMA assessment methodology is flexible and can be adapted to different country or, for instance, statistical particularities. Since the purpose of the assessment is not to compare countries with each other by a single index, but to help reformers, it is possible, for example, to fully avoid assessing any indicator in the absence of any statistics or due to other limitations, or to take a limited and simplified set of indicators for assessment from the proposed "menu".

Further in this paper, when analyzing one of the areas, such an assumption is used as some of the documents and parameters necessary for the assessment are not publicly available in Belarus.

ANALYSIS OF PUBLIC FINANCIAL MANAGEMENT

In this section, we will make an attempt to apply the SIGMA methodology to analyze one of the six key areas of public administration reform: public financial management. This area, according to the SIGMA approach, should correspond to the 12 principles listed above. For the analysis of each principle, there are 1-2 indicators, including a number of sub-indicators.

It is not feasible for the research team to analyze all 12 principles and their corresponding indicators in detail for a number of reasons, including insufficient transparency of the public financial management system in Belarus, as well as the lack of opportunities for CSOs and research institutes to interact with government authorities at the time of the study (2021).

For this reason, the paper analyzes individual principles and indicators: Principle 1, Indicator 6.1.1; Principle 2, Indicator 6.2.1; Principle 4, Indicator 6.4.1; Principle 5, Indicator 6.5.1.

This paper examines all sub-indicators within the above-mentioned indicators, analyzes their consistency and inconsistency, and assesses the possible effect of bringing these principles of public financial management in line with the SIGMA methodology. We apply this methodology by analyzing these indicators on the example of Belarus and assessing them on the scale proposed by SIGMA. According to the methodology, each indicator, depending on the number of sub-indicators, is assigned a certain number of points. 0 (zero) is the worst score, and the best score is unique to each indicator. Each indicator score table shows score points for Belarus for individual sub-indicators, and then their total number is compared to the maximum score.

Analysis of Principle 1, Indicator 6.1.1. Quality of the medium-term budgetary framework

The medium-term budget framework is set by the Ministry of Finance in the ‘Main Directions of Fiscal and Tax Policy of the Republic of Belarus for 20XX-20XX’ document. Since 2018, the ‘Basic Directions of Fiscal and Fiscal Policy of the Republic of Belarus’ are approved annually and cover a three-year period (the year of approval is the current year, plus two upcoming years), which is consistent with SIGMA approaches and global best practices in general. In 2021, the document was made public before the 2022 draft budget was submitted to the parliament, which was also a positive development. However, the website of the House of Representatives of the National Assembly of the Republic of Belarus has no information about the discussion of the ‘Main Directions of Fiscal and Tax Policy of the Republic of Belarus’ in 2020 and 2021, and in accordance with the Budget Code, the draft “main directions of fiscal and tax policy of the Republic of Belarus” for the next fiscal year is submitted to the Government of the Republic of Belarus, not the Parliament, not later than June 1 of the current fiscal year.

The ‘Main Directions of Fiscal and Fiscal Policy of the Republic of Belarus for 2018-2020’ document presents the forecast indicators of revenues and expenditures of the consolidated budget of Belarus for the upcoming 3 years. However, this forecast does not cover the entire budget of the public administration sector, as it does not include estimates of revenues and expenditures of the Social Security Fund and other extra-budgetary funds. In addition, the document does not contain any information on how funding may be distributed among different departments and industries.

At the same time, the accuracy of the forecasts made in the ‘Main Directions of Fiscal and Tax Policy of the Republic of Belarus for 20XX-20XX’ is not very high. For instance, in 2020, consolidated budget expenditures amounted to 42 billion rubles (\$17.2 billion), while in the ‘Main Directions of Fiscal and Fiscal Policy of the Republic of Belarus for 2018-2020’ they were projected at 34 billion rubles (\$14 billion). Thus, the excess amounted to 23.5%. It is worth noting that, according to the SIGMA methodology, the most acceptable difference is within 2%.

A low accuracy of planning is also typical for the revenue side of the budget. For instance, in the ‘Main Directions of Fiscal and Fiscal Policy of the Republic of Belarus for 2018-2020’, the consolidated budget revenue target for 2020 was set at 35.6 billion rubles (\$14.6 billion), but in reality, revenues totaled 39.2 billion rubles (\$16.1 billion), that is, 10.1% more.

Approaches to medium-term budget planning in Belarus are being improved. Since 2019, the ‘Main Directions of Fiscal and Fiscal Policy of the Republic of Belarus’ has included estimates related to the public debt. In particular, the forecast volume of public debt at the end of the current year, its ratio to GDP, forthcoming debt payments and sources of repayment, and plans for new borrowings are indicated. However, the accuracy of the forecasts is not high, either. For example, in 2020, the forecast for the volume of public debt at the end of the year was exceeded. The volume of borrowings exceeded the planned indicator by 3.4 billion rubles (\$1.4 billion). At the same time, the ‘Basic Guidelines for Fiscal and Financial and Tax Policy of the Republic of Belarus’ document does not establish procedures for adjusting the forecast indicators.

Evaluation of the "Quality of the medium-term budgetary framework" indicator in accordance with the SIGMA methodology. *The ‘Main Directions of Fiscal and Tax Policy of the Republic of Belarus for 20XX-20XX’ document was taken as a basis as it is a medium-term budgetary framework (MTBF) and covers the past three calendar years.*

Sub-indicator 1. Strength of the medium-term budgetary framework	
The MTBF is formally adopted by the government on an annual basis for a minimum of three years and published before the annual budget bill is presented to the parliament	2

The parliament discusses the MTBF or a pre-budget report (or similar), at least at the level of the budget and finance committee, before it receives the annual budget proposal	0
The MTBF covers revenue and expenditure plans for the whole general government sector	0
The MTBF establishes ceilings for each year for first-level institutions or ministries or sectors within the government	0
The expenditure ceilings established in the MTBF are respected in the annual budget bill, with no more than 2% variation from the ceilings	0
The MTBF includes quantitative fiscal targets on a general government basis for at least the budget year and the following two fiscal years	2
The MTBF includes sector-based policy information, including non-financial performance information and sector expenditure plans	0
Sub-indicator 2. Strength of the fiscal rules	
The government has established clear quantitative fiscal rules at least for the total levels of public debt level and the deficit	0
The fiscal rules for public debt and deficit are defined in a law with strict correction procedures	0
Within the last two fiscal years, the government has not violated the fiscal rules	0
Sub-indicator 3. Credibility of medium-term revenue plans	
The indicator measures the percentage difference between the planned revenues in the MTBF approved two years before the latest full calendar year and the outturn of the latest full calendar year (the difference amounted to 10.4%)	1
Sub-indicator 4. Credibility of medium-term expenditure plans	
The indicator measures the percentage difference between the planned expenditure in the MTBF approved two years before the latest full calendar year and the outturn of the latest full calendar year (the difference amounted to 23.5%)	0
TOTAL:	5/23

Thus, the current medium-term budgetary framework in Belarus corresponds to the SIGMA approaches only partially. The very fact of publication of the reviewed document is a positive development, but its completeness and the quality of information could be significantly improved. The analysis has shown that the medium-term budgetary framework in Belarus could be established in accordance with the SIGMA approaches. This would improve the credibility and information content of the 'Main Directions of Fiscal and Fiscal Policy of the Republic of Belarus' and make the budget process more predictable and accountable.

Analysis of Principle 2, Indicator 6.2.1. Quality of the annual budget process and budget credibility

It is difficult to properly assess the degree of compliance of the adopted budget with the medium-term budgetary framework due to insufficient transparency of the budget process in Belarus. Thus, it was not possible to find out whether the first-level budgetary organizations provide exhaustive, covering all needs, information for setting the medium-term budgetary framework. However, such information is included in the draft budget. Due to the fact that the medium-term budgetary framework in Belarus does not set sectoral expenditure ceilings, it is not possible to assess the extent to which such ceilings have been taken into account in practice.

It follows from the Budget Code, that the government approves the expenditure ceilings for the first-level budgetary organizations after they submit their annual budget proposals. After the review and approval of the draft law on the central budget for the next fiscal year, the Ministry of Finance informs the budget managers about the amounts allocated for them in the draft law on the central budget. However, in accordance with the SIGMA approaches, the government should approve such spending ceilings before budget holders submit their budget proposals.

The Budget Code of the Republic of Belarus establishes an annual budget calendar. For example, there are clear deadlines for the Ministry of Economy and the National Bank for submitting documents with economic forecasts and parameters to the Ministry of Finance (by May 1 of the current fiscal year); deadlines for starting to draft the central budget (no later than ten months before the beginning of the next fiscal year); deadlines for submitting the bill on the central budget to the president (no later than September 1 of the year preceding the next fiscal year); deadlines for submitting the law on the central budget for the next fiscal year to the House of Representatives (no later than November 1 of the year preceding the next fiscal year); and a number of other deadlines.

At the same time, the budget calendar established by the Budget Code is not comprehensive. For example, there are no clear deadlines for budgetary organizations to submit their budget proposals.

In addition, the budget calendar is often not respected in practice. For example, despite the legal requirement to adopt a law on the central budget for the next fiscal year by December 1 of the year preceding the next fiscal year, the law on the central budget for 2021 was adopted on December 29, 2020, the law on the central budget for 2020 - on December 16, and for 2019 - on December 30.

Over the recent years, the government has published the draft central budget for the next year in the public domain several times. However, this practice is not of a regular nature.

The document, if published, includes data on revenues and expenditures of the central budget by functional and departmental classification. Moreover, this document does not describe the macroeconomic and fiscal projections on which the draft was based. In addition, it does not provide current year budget data for comparison, nor does it describe new policy initiatives, nor does it make long-term forecasts related to the budget; and it lacks any non-financial information in general. Another significant disadvantage is that only the draft central budget can be published in the public domain, while the data on the consolidated and local budgets (consolidated) are not disclosed.

At the same time, despite the absence of large amounts of data in the public domain until the adoption of the law on the budget, it can be argued that planning of capital projects is an integral part of the budget process since plans related to capital expenditures appear in the law on the central budget for the next calendar year and other regulatory and legal acts. For example, the Decrees ‘On Approval of the State Investment Program for the Next Year’ provide not only a detailed list of state capital investments for the current year, but also the funding needs for the coming years.

Proper parliamentary hearings on the draft budget for the next fiscal year do not take place in Belarus. Formally, the Parliament receives and considers the draft budget of the executive branch, but in reality, it is just a matter of approving the indicators brought to the deputies. In addition, according to the Budget Code, the Parliament has only one month to review and adopt the draft budget (from November 1 to December 1), while, for instance, the medium-term budgetary framework is not considered by the Parliament at all.

Adjustment of the adopted budget indicators in Belarus is carried out in accordance with Chapter 22 of the Budget Code. There are no clear rules limiting the amount of reallocation of funds between different expenditure lines, there are no limits on the number of amendments during the calendar year, and there are no specific deadlines for the revision of budget indicators. At the same time, a positive development is that the annual report on the implementation of the central budget contains information about the changes that were made to the budget in the reporting year.

The indicators established by the law on the central budget are mostly complied with. As for the revenues of the central budget, it is worth noting that in 2019 the actual revenues were 2.5% higher than planned, in 2020 - 3.1% lower than planned. This is a small enough deviation to award a high score on this sub-indicator in accordance with the SIGMA methodology. At the same time, in 2018 the actual revenues of the central budget exceeded the target revenues by 19.1%.

The credibility of planned expenditures of the central budget is also quite high. In 2018-2020, the deviation of real expenditures from the target ranged from 0.1-3.8%.

Evaluation of the "Quality of the annual budget process and budget credibility" indicator

Sub-indicator 1. Operational alignment between the MTBF and the annual budget process	
First-level budget institutions provide comprehensive inputs to both the MTBF and the annual budget proposal (i.e. covering complete budget needs)	NA
The government approves expenditure ceilings for first-level budget institutions or ministries before the budget institutions are required to submit their annual budget proposals	0
The aggregate ceiling for expenditure established in the MTBF is not exceeded in the annual budget bill	0
The sector ceilings established in the MTBF are maintained in the annual budget bill, with no more than 2% variation from the ceilings	0
Sub-indicator 2. Reliability of the budget calendar	
The annual budget calendar is fixed in legislation	1
Budget institutions have at least six weeks to prepare their budget following the applicable instructions	NA
The official budget calendar has been respected during the latest full calendar year	0
Sub-indicator 3. Transparency of the budget proposal before its adoption in parliament	
The budget documentation sets out the macroeconomic and fiscal assumptions on which the budget is based	0
The budget documentation provides, on the basis of the internationally recognised System of National Accounts (SNA), medium-term projections for general government balance, revenue and expenditure	0
The budget documentation indicates the latest estimates of the budget balance, revenue and expenditure of the current year for comparison	0
The budget documentation links appropriations to administrative units (first-level budget organisations at a minimum)	1
The budget documentation provides information on new policy initiatives	0
The budget documentation provides information on contingent liabilities	0
The budget documentation provides long-term projections (five years or more) for at least the two largest expenditure areas	0
The budget documentation presents links between the budget and the government's policy objectives for the upcoming year and provides non-financial performance information	0
Sub-indicator 4. Quality in the budgeting of capital investment projects	
Planning of capital projects is an integral part of the annual budget preparation cycle	1

Multi-annual commitments (funding needs for future years) of capital	1
Capital projects of more than EUR 1 million included in the budget have passed through an independent appraisal procedure	NA
Capital projects of more than EUR 1 million included in the budget are accompanied by an estimate of their recurrent cost (expenditure needed for operating and maintaining the investment)	0
The outturn of capital investment in the annual budget was between 80% and 105% of the approved budget	NA
Sub-indicator 5. Parliamentary scrutiny of the annual budget	
The parliament discusses the MTBF or a pre-budget report or similar, at least at the level of the budget and finance committee, before it receives the annual budget proposal	0
The sector committees of the parliament provide written inputs to the budget and finance committee before the debate is initiated in the plenary	NA
The parliament has two months or more to debate and vote the annual budget bill	0
The parliament has three months or more to debate and vote the annual budget bill	0
Before the vote on the annual budget bill, the parliament receives a report on the budget proposal from a professional body independent of the government	0
Sub-indicator 6. Transparency and predictability of procedures for in-year budget adjustments	
There are clear rules restricting in-year budget adjustments by the government; The national rules on restrictions with in-year budget adjustments by the government are respected (i.e. the SAI does not report any violations to in-year budget adjustment rules)	0
The national rules on restrictions with in-year budget adjustments by the government are respected (i.e. the SAI does not report any violations to in-year budget adjustment rules)	NA
The annual financial statement of the government reports on all variations that were done by the government	1
No more than two budget amendments by the parliament are passed annually	0
Sub-indicator 7. Credibility of revenue plans in the annual budget	
The indicator measures the percentage difference between the planned revenue in the original annual budget bill as adopted by the parliament and the outturn of actual revenues. The analysis is based on data from the last three years.	3
Sub-indicator 8. Credibility of expenditure plans in the annual budget	

The indicator measures the percentage difference between the planned expenditure in the original annual budget bill as adopted by the parliament and the outturn of the budget expenditure during the latest full calendar year. The analysis is carried out based on the data from the three most recent years.	4
TOTAL:	12/38

The analysis has shown that the budgetary process in Belarus corresponds to the SIGMA approaches only partially. There are no full-fledged parliamentary discussions on the budget, adjustments of budget indicators are often made spontaneously as needed, the budget calendar is not regularly followed, and the draft budget (if published at all for the general public) contains very scarce information.

The application of the **SIGMA approaches to the budgetary process of the Republic of Belarus** would improve the quality of budget planning, establish stricter rules for all stakeholders of the budget process, increase its transparency, promote public participation in the budget policy and, in general, contribute to the effectiveness of the budget process.

Analysis of Principle 4, Indicator 6.4.1. Quality of Public Debt Management

In accordance with Chapter 9 of the Budget Code of the Republic of Belarus, the raising of internal government loans is carried out by the Government of the Republic of Belarus or by the Ministry of Finance on its behalf, and the raising of external government loans is carried out by the Government of the Republic of Belarus on the decision of the President of the Republic of Belarus. Thus, the Ministry of Finance, the government, and the president are involved in the implementation of loans. Whereas SIGMA approaches state that only one debt management organization (usually the Ministry of Finance or the Treasury) should implement government loans in accordance with the law.

The strategy of public debt management is published annually since 2019 as part of the 'Main Directions of Fiscal and Tax Policy of the Republic of Belarus for 20XX-20XX'. In addition, information about the debt management strategy can be found in the Law on Central Budget for the next year and in the explanatory note to the draft budget (not always published in the public domain), as well as in some other documents. At the same time, the public debt management strategy does not include information about the debts of local authorities, as well as medium-term forecasts related to public debt.

Current reporting on the state of public debt is published monthly on the last day of the month following the reporting month, as a press release. At the same time, the publication of a detailed annual report on the debt is not provided. Monthly press-releases do not provide information on debts at all levels of government, as well as on the currency structure of the debt and terms of its repayment. However, some of these data can be found in some reports of the National Bank, as well as in the open database on the Ministry of Finance website.

Unfortunately, none of the reports available explains the reasons for the deviations between the planned and actual indicators related to the public debt. Thus, **reporting on the state of public debt is fragmented, data must be collected from various sources, and not all information is publicly available.**

The data on the debts of local authorities are published quarterly in the budget execution bulletins, while the information on the debts of state enterprises can be found, for example, in ‘Balance of Payments, International Investment Position and Gross External Debt of the Republic of Belarus’, an information and analytical digest that is also published on a quarterly basis. This demonstrates that both local authorities and state-owned enterprises report on their debts at least 4 times a year.

Often, the short terms of lending lead to a rather high debt burden in Belarus. The annual repayment of government debt can exceed 10% of total debt. For example, it was planned that the payments on the state debt would cost 8.7 billion rubles (\$3.6 billion) in 2020, including the principal payments - 6 billion rubles (\$2.5 billion), while the volume of the state debt at the beginning of 2020 was 44.8 billion rubles (\$18.4 billion) and the projected volume of the state debt at the end of the year - 54.4 billion rubles (\$22.3 billion). Thus, in 2020, the government planned to repay 13% of the state debt, counting from the figure at the beginning of the year, and 11% of the figure at the end of the year.

On the positive side, the government has financial reserves in excess of 10% of the public debt. For example, as of January 1, 2021, the government accounts in the National Bank of Belarus contained 14.5 billion rubles (\$5.6 billion). Presumably, the main source of this reserve is the remainder of the budget surplus of previous years. In addition, the international reserves of Belarus amounted to \$7.5 billion on January 1, 2021.

The government's forecasts related to public debt are not highly accurate. For example, at the end of 2020, the volume of public debt amounted to 57.8 billion rubles (\$23.7 billion) against the planned figure of 54.4 billion rubles (\$22.3 billion). That is, the plan was overfulfilled, the excess was about 2.3% of GDP. Difficulties with planning can partly be connected with the unstable exchange rate of the Belarusian ruble. This is because more than 90% of the national debt of Belarus is formed in foreign currency. Therefore, any exchange rate fluctuations are immediately reflected in the volume of debt (in ruble equivalent) and forthcoming payments on it.

Evaluation of the "Quality of public debt management" indicator

Sub-indicator 1: Existence of requirements and limitations for borrowing in the legal framework	
Public debt is defined in legislation in line with the internationally recognised System of National Accounts (SNA 2008) definitions	0
Only one single debt management entity (central budget authority/Treasury) can carry out central government borrowing according to legislation	0
The annual budget law defines the limits for annual borrowing and state loan guarantees	1
Sub-indicator 2. Existence and minimum content of a public debt management strategy	
The public debt management strategy is published every year, either independently or as part of a wider fiscal strategy of the government	1
The public debt management strategy includes information about debt developments at all levels of government (including local government and social security funds)	0
The public debt management strategy includes data about debt developments in previous years and a forecast for at least the next three years	0
The government has set clear (numerical) targets for public debt levels for a minimum of three years	0
Sub-indicator 3. Clarity of reporting on public debt	
The national report on public debt is published no later than three months after the end of the reporting year	1
The national report on public debt provides information on all levels of government (including local government and social security funds)	0
The national report on public debt provides information on the breakdown of existing stock of debt between currencies, years when debt is maturing and origin (national or foreign)	1
The national report on public debt explains the reasons for any deviations from the estimates or targets presented in the national debt management strategy	0
Sub-indicator 4. Risk mitigation in the stock of public debt	
Local government can only borrow within legally set limits or with the formal consent of the government, and all local government entities report on their debt and borrowing at least twice a year	1
All state-owned enterprises (SOEs) report on their debt and borrowing at least twice a year	1
A maximum of 10% of the stock of public debt will mature in the next year	0
A maximum of 10% of national debt is in a single foreign currency without being hedged	0

The share of floating-rate debt in the stock of total debt is not more than 10%	NA
National financial reserves equal to at least 10% of general government expenditure exist, and the reserves are liquid	1
Sub-indicator 5. Difference between public sector debt outturn from target	
The number of points depends on how much the actual public debt level corresponds to the established targets. In 2020, the debt increased more than planned. The excess was 2.3% of GDP	1
Sub-indicator 6. Ratio of public debt to GDP	
The number of points depends on the ratio of public debt to GDP. In 2020, it was less than 60% in Belarus	2
TOTAL:	10/22

The analysis shows that public debt management in Belarus corresponds to the SIGMA approaches only partially. However, no fundamental contradictions between the Belarusian debt realities and global practices in this area have been revealed. Thus, public debt management in Belarus could be carried out in accordance with the SIGMA approaches. This would increase the effectiveness of the debt management strategy, ensure transparency as well as the government accountability on public debt issues, increase financial stability and reduce risks associated with excessive debt burden and sub-optimal debt structure.

Analysis of Principle 5, Indicator 6.5.1. Transparency and completeness of budget reporting and verification

The Ministry of Finance of Belarus publishes various types of reports on revenues and expenditures as well as borrowings of the public administration sector. For example, monthly press releases on the budget implementation and the state of the public debt and quarterly analytical reports ‘On the State of Public Finance of the Republic of Belarus’ as well as bulletins on budget execution are published. However, none of these documents is published within 4 weeks after the reporting month. The most expeditious form of reporting is press releases, which are published on the last working day of the month following the reporting month.

The reports contain data on revenues and expenditures of the national and local budgets by the functional and economic classification, data on debts of the central government and local authorities, and information on the execution of extra-budgetary funds. However, intra-annual reports on budget implementation by the departmental classification are not published. In addition, the reports do not explain variations from planned expenditures and revenues. Also, Belarus does not publish the so-called semiannual report - a comprehensive analysis of budget implementation, which is prepared at least every six months.

At the end of the next fiscal year in Belarus, an annual report on budget execution is developed and published. However, it covers only the central budget and is often published

later than 6 months since the end of the reporting year. For example, the law ‘On Approval of the Report on the Execution of the Central Budget for 2020’ is dated 15.07.2021, and the law ‘On Approval of the Report on the Execution of the Central Budget for 2019’ is dated 17.07.2020.

The annual government report provides information on variations of actual data from planned data, but gives no explanation as to why this happened. Also, the document does not include data on borrowing and does not contain any non-financial information or explanations. In fact, it is just a collection of tables with figures.

The annual financial report on the state of public enterprises is not published by the Ministry of Finance, but is published by the National Statistical Committee. The budget execution report of the Social Security Fund is published by the Ministry of Labor.

The Supreme Audit Institution in Belarus is the State Control Committee (KGK). During the calendar year following the reporting year, a detailed unqualified audit report on the performance of the central budget is published.

Evaluation of the "Transparency of budget reporting and audit" indicator

Sub-indicator 1. Quality of intra-annual reports on public revenues, expenditures and borrowings	
Intra-annual reports on central government revenues, expenditures, and loans are published on a quarterly basis	1
Intra-annual reports on central government revenues, expenditures, and loans are published monthly	1
Reports are published within four weeks after the end of the reporting month	0
Reports show the total of all central government operations, compiled from standard format reports completed by each central government agency	0,5
Reports provide data for each ministry and disposers with large budgets	0
Reports note and explain deviations from planned expenditures and revenues published at the beginning of the year	0
Reports include information about upcoming expenses	0,5
A comprehensive analysis of budget execution is prepared at least every six months, after that a report is published	0
Quarterly reports on local government financial performance are published, which include, at least, information on capital expenditures, payroll expenditures, loans and borrowings, and amounts in arrears	1

Quarterly reports of local governments are published no later than the end of the following quarter	0,5
Sub-indicator 2. Quality of the annual financial report of the government	
The annual financial report is comprehensive at the central government level	0
The annual financial report is published within six months of the end of the financial year	0
The format of the annual financial report mirrors the presentation format of the budget	1
The annual financial report notes and explains variations from the original budget allocation	0
The annual financial report or a separate report notes and explains variations for capital investment projects	0
The annual financial report contains an analysis of state assets and liabilities, including state guarantees and other contingent liabilities, and information on transfers and disposal is included	0
The annual financial report contains non-financial performance information linked with budget envelopes, comparing performance targets with results	0
Sub-indicator 3. Quality of annual reports of state-owned enterprises, extra-budgetary funds and local government	
SOEs submit annual audited statements to the central budget authority or sponsoring ministry within six months of the year's end	NA
A consolidated report on the financial performance of the SOE sector is published by the central government annually	1
Detailed financial reports of all extra-budgetary units are submitted to the central budget authority within three months of the year's end	NA
Audited annual financial statements for all local government entities are published within nine months of the year's end	1
A consolidated report on the financial position of all local government entities is published at least annually	1
Sub-indicator 4. Clarity of national accounting standards and consistency with international standards	
The accounting standards are defined and apply to all general government institutions	NA
The accounting standards are consistent with international standards, or if not, variations are disclosed and differences explained	NA
The accounting standards used in preparing annual financial reports are disclosed in notes to the reports	0
The accounting standards enable the provision of SNA 2008-compliant data	NA

Sub-indicator 5. Existence of reporting on fiscal risks identified in the budget	
Fiscal risks are not budgeted or tracked annually	NA
Sub-indicator 6. Quality of annual financial reporting on the use of public finances	
The supreme supervisory authority issued an unqualified opinion on the annual financial report, which was published before the end of the following calendar year	3
Sub-indicator 7. Timeliness of submission of the SAI report to parliament	
The SAI report is presented to the parliament with the annual financial statement	0
The SAI report is published within one year after the end of the budget year audited	1
Sub-indicator 8. Timeliness of parliamentary discussion on the report of the SAI	
Methodology	
The annual SAI report is discussed in at least one parliamentary committee	NA
The annual SAI report is presented at the plenary of the parliament;	NA
The annual SAI report is presented to the parliament before the parliament votes on the forthcoming annual budget bill or before the end of the calendar year (whichever comes earlier).	NA
TOTAL:	12,5/32

The analysis showed that the transparency and completeness of budget reporting in Belarus only partially corresponds to the SIGMA approaches. Virtually all types of reporting lack important data, the regularity of publications could be improved, and the formality of parliamentary discussions of budgetary issues also has a negative impact on transparency. At the same time, the transparency of budget reporting and auditing in Belarus could be ensured in accordance with the SIGMA approaches, which would potentially improve the quality of intra-annual reports on public revenues, expenditures and borrowings, the quality of the government's annual financial report, the quality of annual reports of state enterprises, extra-budgetary funds and local authorities, and other types of reporting. In addition, it would simplify the work with budget data for the expert community and help to involve the public in the budget policy, establishing a constructive dialogue about the budget between the society and the state.

CONCLUSIONS

A number of systemic problems are currently evident in the sphere of public administration in Belarus, most of which are related to a high degree of politicization of all managerial processes. It is possible to assume that after political changes begin (if they take a democratic path), the reforming of the sphere will adhere to the general principles and follow a trajectory similar to the one of the former Soviet states and the countries that have experienced a political transition. If such changes occur, the principles of good governance will be introduced into the system of public administration in one way or another, to be followed by technocratic changes in all managerial processes. The politicization of the public administration system is one of the main obstacles that not only blocks the possibility of reforms, but also prevents the normal functioning of the state apparatus for the sake of the interests of the Belarusian society in many respects.

The SIGMA methodology described and applied in this paper shows possible tracks of changes, defines areas, and gives tools to assess the current state of various areas of public administration. We made an attempt to assess the situation in Belarus based on the example of one of these areas, that is "public financial management". Due to limited resources for the study, this evaluation focused only on some principles, for which it was possible to collect information from open sources, at least partially. The inability to assess some indicators is due to the lack of sufficient information in the public domain, which is a violation of the principle of transparency in public administration in itself. Nevertheless, when assessing the area of public financial management in Belarus, we can say that it partially meets the requirements of SIGMA. At the same time, for some indicators, the authors of the paper could not find information in open sources, and many indicators were rated 0 which indicates the absence of a number of mechanisms and tools of financial management in Belarus, which are usually assumed in the good governance practices.

Thus, using the example of assessing the quality of public financial management, we can conclude that the SIGMA methodology can be applied to assess different areas of public administration in Belarus with a number of both technical and political limitations.