



ЕВРОПЕЙСКИЙ СОЮЗ



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# LOCAL GOVERNMENT PERFORMANCE MEASUREMENT IN UZBEKISTAN

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# ABBREVIATIONS

<b>BI 2005</b>	– Benchmarking initiative 2005 in the Czech Republic
<b>BSC</b>	– Balanced Scorecard
<b>CAF</b>	– Common Assessment Framework
<b>CoE</b>	– Council of Europe
<b>CSO</b>	– Civil Society Organization
<b>EC</b>	– European Commission
<b>EIPA CAF</b>	– European Institute of Public Administration Common Assessment Framework
<b>GBN</b>	– Global Benchmarking Network
<b>GIFT</b>	– Global Initiative for Fiscal Transparency
<b>IPSD</b>	– Improved Public Service Delivery and Enhanced Governance in Rural Uzbekistan
<b>KGSt</b>	– Cologne Municipal Analysis Bureau
<b>KPI</b>	– Key Performance Indicators
<b>LGPMF</b>	– Local Government Performance Measurement Framework
<b>LFB</b>	– Local Finance Benchmarking
<b>MAF</b>	– Management Accountability Framework of Canada
<b>MBNC</b>	– Municipal Benchmarking Network Canada
<b>MEPCO</b>	– Mezinarodni Poradenske Centrum Obci
<b>MIS</b>	– Management Information System
<b>N4ED</b>	– Networking for Efficiency and Development
<b>NALAG</b>	– National Association of Local Authorities of Georgia
<b>NGO</b>	– Non-Government Organization
<b>NPM</b>	– New Public Management
<b>OECD</b>	– Organization for Economic Cooperation and Development
<b>PEMPAL</b>	– Public Expenditure Management Peer Assisted Learning network
<b>PMES</b>	– Performance Monitoring and Evaluation System
<b>PwC</b>	– PriceWaterhouseCoopers
<b>SDG</b>	– Sustainable Development Goals
<b>UNDP</b>	– United Nations Development Programme
<b>USAID</b>	– United States Agency for International Development

# EXECUTIVE SUMMARY

This policy paper offers the contextualized local government performance measurement framework (LGPMF) for Uzbekistan. The main objective of the proposed LGPMF for Uzbekistan is to improve the local government performance through benchmarking and strengthening external and internal accountability. The LGPMF is built on analysis of the current situation, legislation and functioning of bodies of local government in Uzbekistan and the concrete examples from the relevant international experience from the EU countries and the post-Soviet countries. This approach is in line with the overall reform agenda, implemented by the Government of Uzbekistan, and the New Public Management (NPM) model based on private sector performance criteria and practices, introduced into public sector. The NPM highlights customer orientation, importance of transparency and accountability, and emphasizes performance management and measurement systems as one of the core elements of managing for results. The policy paper provides a starting point for development the performance indicators and creating a performance management system for local governments in the Republic of Uzbekistan.

The paper is divided into three sections. Section I presents the analysis of the current situation with local government in Uzbekistan, reveals gaps in the existing accountability mechanisms and justifies the need for performance measurement in local government. Section II reviews the international experience. European practices are exemplified by presenting the approaches to local government performance measurement in Germany and the Czech Republic, and Georgia and Kazakhstan were chosen as examples to address the experience in the post-Soviet countries. Section III lays out the government's motivation to design and implement the local government performance measurement system, presents possible mechanisms in its introduction in Uzbekistan, details the audiences to be addressed, and includes the main steps of the local government performance measurement and its placement of in the performance management.

## KEY FINDINGS AND POLICY RECOMMENDATIONS

Although there is noticeable movement towards performance management in public administration in Uzbekistan, the performance measurement system for local governments has not been established yet. The projects for local government performance benchmarking have not been implemented either. Only limited data on local government performance are publicly available. The existing reporting of local government executive authorities to local representative bodies is not fully accessible to the public, including online access to real-time, open data that is easy to understand, process, and use. Local government performance indicators have not been designed. The internal local government performance evaluations have not been conducted in at least the project pilot districts.

In largely decentralized countries, such as countries of the European Union, a top-down system of performance measurement can generate resistance and become a barrier for successful implementation. By contrast, in countries with traditional vertical oversight mechanisms as in the post-Soviet countries the local government performance measurement is initiated by the upper level of government and is mandatory for the local government. Until the next phase of decentralization will take place. A top-down approach is relevant for the goals of measuring compliance of the public service provision with the national standards and promoting accountability at local level. If the primary goal is capacity building in local governments, a bottom-up mode would be more suitable.

A valid approach for Uzbekistan in designing and implementing the performance measurement system for local governments from the European countries experience is the collaboration between the national

level institution (initiator/coordinator of the performance measurement) and local governments. This will positively influence the quality of the data, and further improve the efficiency and effectiveness of the public services rendered by local governments. The finding that in Germany the performance measurement outcomes do not directly cause the local government employees to receive a punishment or reward merits consideration. Linking performance to an incentive is a relevant mechanism, i.e. some defined level of performing may be used as a precondition for local governments to be able to receive funding from central government. The Czech Republic local government performance measurement experience demonstrates benchmarking has become an important tool for local governments' evaluation, holding them accountable for providing high quality services, and learning from best practice.

The performance measurement outcomes should be made available to a wide range of audiences (see Figure 3). The citizens and local community as primary service users are the most important audience to focus. Citizens need a small set of performance indicators, presented in accessible and user-friendly manner to understand overall performance and hold the local governments to account. Upper level (regional and central) government needs more detailed information on performance to ensure an effective, efficient and sustainable local government system; to monitor compliance with relevant reporting requirements and effectively manage risks. Local governments themselves need the most detailed and comprehensive performance data to understand how they perform on a daily basis and identify opportunities for improvement. In addition, performance indicators should be available to the public on the official website.

The local government performance measurement system in Uzbekistan can derive from the following arrangements: (i) the national level institution (i.e. ministry) initiates and coordinates the performance measurement; (ii) local government representatives (both executive and representative authorities) participate in designing the performance measurement system, are members of a coordination committee that develops performance indicators, manages the data collection, checks validity, and disseminates the outcomes of performance measurement; (iii) performance data, provided by the local governments should be accessible, reliable and unbiased. The collaboration with the Accounts Chamber of the Republic of Uzbekistan is desirable to create synergies and avoid duplication of efforts. The collaboration with the State Committee of the Republic of Uzbekistan on Statistics will support the accuracy and validity of data. Local government performance indicators in Uzbekistan can reflect five layers: (i) Public service delivery; (ii) Local economic development; (iii) Financial performance; (iv) Sustainability; (v) Good governance and public participation.

Performance measurement and improvement are systematic processes by which a local government continuously and consistently tracks and applies important program and operations data for the purpose of optimizing its ability to efficiently and effectively advance its desired social impact. Six main steps of the performance measurement and improvement have been identified for its placement in the local government performance management in Uzbekistan: (1) Determine key performance areas, objectives, standards and indicators; (2) Select and define indicators for measurement; (3) Develop management information system (MIS); (4) Report results according with the outlined main audiences; (5) Evaluate results (comparison of actual results to baseline indicators); (6) Provide feedback for the management of the process. The establishment of the performance indicator system should follow the setting objectives to be achieved and the division of responsibilities for services between national, regional and local government is clear and legally enshrined. And finally, while functional assignments and administrative sharing between levels of government are not regulated by law in the Republic of Uzbekistan, and different levels of government (national, regional, and district/local) have unclear and/or overlapping mandates it is recommended to chart the responsibilities, as they are assigned to levels of government and institutions, and design for piloting a simplified performance measurement system, using a small set of core, consistent indicators, adapted to the specific current needs and conditions of Uzbekistan.

# INTRODUCTION

This policy paper was prepared under the “Improved Public Service Delivery and Enhanced Governance in Rural Uzbekistan (IPSD)” joint project of the Public Services Agency (PSA) under the Ministry of Justice of the Republic of Uzbekistan and the United Nations Development Programme (UNDP), funded by the European Union. The international consultant, produced the policy paper is Tatiana Vinogradova, whose specific task was to prepare and present a policy paper for improvement in the medium term of the local governance framework within the general task of strategic guidance and technical advice for the improvement of the legal framework for local governance in Uzbekistan. The work was carried out under the supervision of Adrian Ionescu, Senior Adviser for the IPSD project, who provided invaluable feedback during the whole process. We are grateful to Mr. Mirzokhid Karshiev for helping us with his comments. The policy paper is built on a desk research and analysis of the current situation, legislation and functioning of bodies of local representatives and executive powers in Uzbekistan and the most relevant international experience from European countries: Germany and the Czech Republic (federal and unitary states); and post-Soviet countries: Kazakhstan and Georgia; review of the Canadian performance measurement model,<sup>1</sup> the Norwegian model Kostra,<sup>2</sup> and the Australian model,<sup>3</sup> as well as analysis of the sources of information listed below.

The sources of information utilized for this policy paper have been: (1) the National Uzbekistan policy documents and legislation; (2) relevant IPSD project outputs (assessments, studies, reports, etc.), first of all: Analytical Report on the Results Functional Analysis of 5 Pilot District Khokimiyats, prepared by PwC; Capacity Needs Assessment Draft Report for Business Process Re-engineering in Public Service Delivery in Uzbekistan; and Analytical Report “Evaluation of the Efficiency of Local Executive Authorities in Uzbekistan Using KPI (Key Performance Indicators)”. (3) the data gained from official sources in countries for case studies of international experience: Germany, the Czech Republic, Kazakhstan and Georgia; (4) interviews with experts, produced reports for the IPSD project to complement secondary data; (5) working papers, reports and manuals of international organizations - the World Bank, the UNDP, the OECD; (6) information shared during meetings with the implementing partners, IPSD project team, stakeholders, and beneficiaries in the course of the international consultant’s visit to Uzbekistan.

The part of the research was conducted by using face-to-face interviews, conducted during the Summer School on Local Governance Issues, carried out within the IPSD Project in Bostanlik district of Tashkent region on August 23-27, 2021. In addition, information gathered through desk-research was verified during meetings with the Director of the Public Service Agency under the Ministry of Justice (PSA) of the Republic of Uzbekistan, representatives of the Ministry of Economic Development and Poverty Reduction (MEDPR) of the Republic of Uzbekistan, the Ministry of Finance of the Republic of Uzbekistan (MoF), and the Legislation and Parliamentary Research Institute under the Oliy Majlis (Oliy Majlis Research Institute) of the Republic of Uzbekistan (see List of respondents in the Annex 8). Meetings with the director of PSA, officials from the MEDPR, the MoF, and the Oliy Majlis Research Institute have provided additional information for the analysis of the current

<sup>1</sup> The Municipal Benchmarking Network Canada, <http://mbncanada.ca>

<sup>2</sup> <https://www.ssb.no/en/offentlig-sektor/statistikker/kostrahoved>; According to the OECD, KOSTRA has been beneficial for the central government: performance monitoring and examining compliance with the national standards; and local government: easy information sharing, reputation effect, and dissemination of performance data. (OECD (2008). Promoting Performance: Using Indicators to Enhance the Effectiveness of Sub Central Spending. OECD Network on Fiscal Relations Across Levels of Government. Working Paper No. 5)

<sup>3</sup> Brunet-Jailly E., Martin J.F. (2010). Local Government in a Global World Australia and Canada in Comparative Perspective. Toronto Buffalo, London University of Toronto Press cop.



situation with local governance and state of reforms and proposing local government performance measurement framework for Uzbekistan. Interviews with the local government representatives have been helpful in providing to additional relevant information on the situation analysis and needs assessment for Uzbekistan.

**There are different aspects of the local governance framework in Uzbekistan to be developed within the unprecedented reform agenda, implemented by the Government of Uzbekistan.** The IPSD project aims to improve the quality of life of vulnerable sectors of the population in rural areas – such as women, youth and children, the elderly and people with disabilities – by enhancing their access to public services, and the quality of their provision. Equally, the project aims to strengthen citizen participation in the decision-making processes at the local level and increase their access to information, effectively increasing the transparency of the local governance system. The Project's strategy is to deal with the primary, practical, feasible tasks that solve visible problems and make a tangible contribution to the main goal of the project.

**Public expectations of the reforms are high in Uzbekistan. Today's citizens of Uzbekistan are becoming increasingly sensitive in demanding the right to receive equal access to quality relevant corruption free public goods and services, provided responsively and timely.** A large amount of modern countries have gone down this road, introducing the New Public Management (NPM) model into the public administration and conducting associated administrative reforms. The NPM is an approach that applies knowledge and experience gained in the world of management and other disciplines to improve the efficiency and effectiveness of public service performance, and highlights accountability. The concept of accountability is acknowledged as a pivot around which good government rotates. Accountability systems can be both internal (within the government) and external (between government and society) but their designation is to guide governments to be efficient, effective, open, transparent, responsive, and inclusive. Market-orientation (commodification of services under the slogan of 'value for money') and customer-orientation (service delivery from a customer's perspective) are the NPM's overall orientation, and performance management and measurement systems are one of its core elements.

**The topic of local government performance measurement was selected a priority for improvement in the medium term for Uzbekistan given the context of the Republic of Uzbekistan,** upon preliminary analysis of situation, analysis of preceding IPSD project analytical reports and consultations with the project management, team and experts. The introduction of the local government performance measurement will support the modernization of the local administrations, empower local elected councils, and enable them to engage with citizens and local communities transparently and informatively. The LGPMF, proposed in this policy paper is aimed to provide the local government in Uzbekistan with the data of their own performances and must contribute in improving governance at the local government level. The performance measurement system development is to proceed prudently and taking in consideration the local governance context that is deeply changing at the present time. Performance measurement of local government in Uzbekistan needs to be a part of broader governance reforms, often referred to as "managing for results", which are designed to focus public management more on results delivered, and less on internal processes, and first out of these reforms is the institutional change to strengthen public accountability for performance.





# **SECTION I.**

LOCAL GOVERNMENT PERFORMANCE  
MEASUREMENT IN UZBEKISTAN:  
SITUATION ANALYSIS  
AND NEEDS ASSESSMENT

**According to the Constitution of the Republic of Uzbekistan (Chapter XXI), the basis for the authority of the State at the local level is made up of representative bodies (Kengashes of People's Deputies), headed by khokims, who, based on the interests of the state and citizens, solve issues related to their competence.** In accordance with article 100 of the Constitution of the Republic of Uzbekistan, local authorities are responsible for: ensuring the rule of law, law and order and the safety of citizens; issues of economic, social and cultural development of territories; formation and execution of the local budget, establishment of local taxes, fees, formation of extra-budgetary funds; management of local utilities; environmental protection; ensuring the registration of civil status acts; adoption of normative acts and other powers that do not contradict the Constitution and legislation of the Republic of Uzbekistan. Also, local authorities implement the laws of the Republic of Uzbekistan, decrees of the President of the Republic of Uzbekistan, decisions of higher state authorities; participate in the discussion of issues of national and local significance. Interviews with local government representatives (see List of respondents in the Annex 8) demonstrated and confirmed the hypothesis of the lack of clarity in local government functions, how they differ from the other government levels functions, which functions can be shared functions, how functions are delegated from level to level, and how the corresponding resources/funds should be also delegated.

**Uzbekistan is a unitary state, and Uzbekistan's governance system is highly centralized: the central government makes the most important decisions on budgets and administrative appointments.**

The administrative divisions comprise: (i) the republic; (ii) 12 regions, Republic of Karakalpakstan, and city of Tashkent; and (iii) 40 cities/urban districts and 162 rural districts, which are further subdivided into towns and qishloqs (villages). The khokims of the regions and the city of Tashkent are appointed and dismissed by the President of the Republic of Uzbekistan and approved by the corresponding Kengash of People's Deputies. The khokim of the district, city is appointed and dismissed by the khokim of the region, the city of Tashkent and approved by the corresponding Kengash of People's Deputies. The central government transfers resources to regional and local governments and gives them little autonomy or discretion over decision making.<sup>1</sup> In addition, according to interviews with local government representatives (see List of respondents in the Annex 8), the local legislature is not fully independent from the executive, as the chair of the legislature is at the same time the head of executive and can thus influence on the expression of the opinions and therefore there is lack of any alternative local policies proposed at the local level by the peoples representatives.

**The local governments have little independence in managing public finances. Transfers are the most important source of income for local governments.** The local governments often lack the resources, personnel, or buy-in to effectively implement their mandates. Local governments have little autonomy over revenue collection. Major local taxes have their rate and tax base established and reviewed by the Government or in the annual budget resolution/law. Local governments are now allowed to keep locally collected revenues (own revenue) that exceeds planned revenues. Nonetheless, limited revenue autonomy, combined with the gap filling features of the transfer system design, reduces the incentives for increasing own revenues. Beyond that, it was not possible to find out through the interviews with local government representatives (see List of respondents in the Annex 8) of what are the representative body's decision-making powers and procedures for budget approval and oversight of taxation and public expenditures, that confirms conclusion from

<sup>1</sup> World Bank (2020). Uzbekistan Public Expenditure Review (PER). <https://www.worldbank.org/en/country/uzbekistan/publication/per>, p.22

the desk-analysis made that these powers are unclearly formulated in the law and regulations, or the regulations in the law are to be refined to be more transparent and rigorous.

**Despite the country's highly centralized administrative structure and limited resources, local governments play an important role in public services provision.** Articles 24 and 25 of the Law on Local State Power<sup>2</sup> describe the powers of the Kengash of People's Deputies and the powers of the khokim. According to these articles: "the main powers of the kengash include: approval of the development programs of the territory, the general plan and the rules for the development of the district, city; consideration and adoption of local budgets, approval of budget forecasts and decisions on amendments to budgets, setting local tax rates, hearing reports of financial bodies, budget managers, consideration and approval of reports on the execution of local budgets, approval of the khokim and his deputies in office, dismissal of the khokim and his deputies from office, hearing reports on their activities, as well as reports of khokims on the most important and topical issues of socio-economic development of the territory, as well as hearing reports from the heads of other structural divisions." In practice approval of the khokim and his deputies in office, dismissal of the khokim and his deputies from office is a mandate of the President of Uzbekistan. The interviews taken during the visit to Uzbekistan (see List of respondents in the Annex 8) demonstrated that local executive's authority and control over matters that are important to people's lives are limited in Uzbekistan. Dissatisfaction of local governments themselves with their financial and administrative capacities fosters taking the potential possibility of transferring to them more functions with caution and reluctance, with a view that these functions cannot be well performed, and may cause dissatisfaction of citizens with the functioning and services of local governments.

**The powers of the khokim include the implementation of laws and acts of the chambers of the Oliy Majlis, the President of the Republic of Uzbekistan, the Cabinet of Ministers, decisions of higher bodies and the corresponding kengash;** taking measures in the field of public order and combating crime, ensuring the safety of citizens, protecting their rights and health, organizing work in natural disasters, epidemics and other extreme cases. The khokim considers and approves the maximum size of budget allocations for drawing up a budget request to territorial administrators of budget funds; submits to kengash the main directions of economic and social development of the district, the draft local budget and a report on its implementation; submits to the relevant kengash reports on the most important and topical issues of socio-economic development of the region, district, city and other issues of local property management, agriculture, land use, construction, transport, road management, etc.

**The system of local government performance measurement has not yet been designed and established in Uzbekistan.** According to PwC analysis, Khokims are mentioned in many new regulatory legal acts, which give them additional functions in many areas of activity. PwC experts mention that the khokimiyats have too many powers due to the fact that regulatory legal acts, in most cases, contain gaps and ambiguities.<sup>3</sup> However, granting additional functions, responsibilities to local governments, and maybe in the future new powers and local discretion in all three dimensions – political, administrative, and fiscal - should be accompanied by robust accountability mechanisms. These are the mechanisms of monitoring, analyzing, and improving the performance of local government. Accountability systems can be both internal (within the government system) and external (between government and citizens / community / civil society). In addition there are the social accountability approaches (participatory planning, participatory budgeting, participatory expenditure tracking, participatory monitoring and evaluation, citizen feedback for services – report cards, social audits, etc.) to be established, however, they are not the focus of this policy paper

<sup>2</sup> Law of the Republic of Uzbekistan "On Local State Power", September 2, 1993, No. 913-XII, Article 25, <https://www.lex.uz/acts/112168>

<sup>3</sup> Analytical report on the results functional analysis of 5 pilot district khokimiyats, prepared by PwC for the UNDP in Uzbekistan project "Improved Public Service Delivery and Enhanced Governance in Rural Uzbekistan", p.9

as they will work effectively and sustainably only if they supplement the established institutional accountability. Accountability mechanisms should be conceptualized as a means of providing local governments with feedback about their activities, providing them with the means of improving the delivery of public services.

**Priority and achievable measure for local government in Uzbekistan is to strengthen existing accountability mechanisms through enrichment of the reporting systems at the local level with data obtained through systematized performance measurement.** Despite the fact that the law obliges khokims to report to the kengashes, which should approve the reports, and post the reporting information on the website of the local government, in fact, there are currently few functioning local government websites, they do not contain relevant reports, and no structured data comparable to previous years and other districts is publicly available. It is expected that the Resolution of the Cabinet of Ministers of 15.06.2021 No. 373 “On Measures to Further Improve the System of Rating Assessment of the Development of the Digital Economy and e-Government”<sup>4</sup> will prompt the faster creation and filling of websites with data by local authorities.

**Sure enough, the most powerful performance measurement systems are typically a core responsibility of the local government’s own staff, who integrate program, financial and organizational data to measure an organization’s progress and success.** The performance measurement system is a helpful part of accountability mechanism, used by the democratically elected local government council to hold local executive responsible according to the local government functions and local council policy decisions. At the same time given the existing governance systemic features and connections in Uzbekistan derived from its high centralization and predominant reliance on upward accountability, the design of the performance measurement system and its integration into the current system of local government in Uzbekistan would require the political decision taken by the central government.

**The key stakeholders (citizens, local civil society, women, other vulnerable groups, etc.) should be consulted in designing such a performance measurement system to include the demand side into the performance standards.** The respondents from local governments of Uzbekistan (see List of respondents in the Annex 8) noted that in rural areas, public opinion is not very welcoming to the participation of women in local government. For example, as a rule, meetings are held in the evening time, when women have to devote their time to family and husband. Women’s refusal to participate in local government also affects disproportion in how do the local representative body and executive reflect the social composition of the electorate. Therefore, special attention is recommended to conceptualization and creation of separate conditions to engage women in the performance measurement system design.

**Uzbekistan is implementing a set of measures to increase the individual responsibility of the heads of local executive authorities.** One set of measures are directed on organizing the accelerated implementation of entrepreneurial initiatives and projects, establish a system of dialogue with the population, improve the standard of living and employment of the population, ensure accelerated and integrated socio-economic development of the regions. The purposeful and systematic work to create new jobs by providing practical assistance to enterprises of economic sectors and business entities, in solving issues of employment of the unemployed population, especially graduates of professional colleges, is demanded from khokims. In order to strengthen their individual responsibility, a system of material incentives for ensuring employment growth has been introduced.<sup>5</sup> Above that, currently, the issues of improvement of the effectiveness of local government through performance measurement are actively discussed in the Republic of Uzbekistan in the Ministry of Economic

<sup>4</sup> <https://static.norma.uz/documents/documents3/373.pdf>

<sup>5</sup> Resolution of the President of the Republic of Uzbekistan No. PP-2960 dated 06.05.2017 “On measures to increase the personal responsibility of heads of local executive authorities and territorial bodies of the economic complex for the effectiveness and efficiency of the work carried out to ensure employment of the population”

Development and Poverty Reduction, in the Academy of Public Administration under the President of Uzbekistan, as well as in the scientific community.

**In 2017 the Information and Analytical Department on Integrated Socio-Economic Development of Territories was created in the structure of the Cabinet of Ministers.**<sup>6</sup> Its objectives are to solve territorial problems and improve the coordination of khokimiyats' and branch management bodies' activities aimed at territorial development and elimination of imbalances in the economy and social sphere. Among other functions the Department is responsible for the efficiency of the khokimiyats of cities and districts. According to the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan it means: to analyze and make proposals on improvements of the effectiveness of the khokims to fulfil the tasks entrusted by the Constitution of the Republic of Uzbekistan, the Law of the Republic of Uzbekistan "On Local Government," other laws of the Republic of Uzbekistan, decrees, resolutions and orders of the President of the Republic of Uzbekistan, decisions of the Cabinet of Ministers of the Republic of Uzbekistan.

**On top of that, in 2020 the President of the Republic of Uzbekistan issued a Decree on the Introduction of a Rating System for the Socio-Economic Development of Regions.**<sup>7</sup> The Decree is aimed at development of a single coordinated mechanism for comprehensive assessment of socio-economic development of the regions for the development of perspective targeted government programs, as well as a prompt and appropriate response to emerging problems with the development of comprehensive measures to solve them. In order to introduce a unified system for assessing the integrated and balanced socio-economic development of regions, the efficiency of using natural resources, economic and investment potential, as well as other comparative advantages of territories for their sustainable and dynamic development a rating system for the socio-economic development of regions will be introduced.

**The President's Decree on Rating Assessment establishes 40 indicators for final assessment of the district socio-economic development within the following 8 dimensions:**<sup>8</sup> (1) Indicators of economic development and efficiency; (2) Indicators of labor market efficiency (4) Indicators of infrastructure development and accessibility; (5) Indicators of competitiveness and economic diversification; (6) Indicators of the quality of the business environment and the development of entrepreneurship; (7) Indicators of financial independence and development of the banking and financial sphere; (8) Indicators of the effectiveness of the work of public authorities in the field with citizens' appeals and the availability of information. For operational assessment there are less indicators - 20 indicators within the same dimensions.

**This rating system for the socio-economic development of regions** appear to be a well-balanced system of indicators that will give the Cabinet of Ministers of the Republic of Uzbekistan necessary information and data for the development and implementation of the strategy of socio-economic development of the region, will allow to concentrate investment resources on priority areas, determine the "points of growth", effectively concentrating the limited resources of the budget, and the sources of private investors in key areas. Findings from the desk research, corroborated by interviews and further document analysis, pointed out that indicators from the Rating Assessment of the district socio-economic development are not suitable for evaluating the effectiveness of

<sup>6</sup> Regulations on the Information and Analytical Department on Integrated Socio-Economic Development of Territories. Appendix to the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan, 03.01.2017 No. 1, <https://www.lex.uz/ru/docs/3090745>

<sup>7</sup> Decree of the President of the Republic of Uzbekistan "On the Introduction of a Rating System for the Socio-Economic Development of Regions", National Database of Legislation, 02.05.2020, No. 07/20/4702/0528; 30.04.2021, No. 06/21/6218/0398, <https://lex.uz/docs/4803533>

<sup>8</sup> Appendix No. 2 to the Regulation on the procedure for assessing the level of socio-economic development of regions based on rating indicators. Rating indicators for assessing the level of socio-economic development of districts and cities (final assessment).



the local government performance, since when they are used, the cause-and-effect relationships between the performance evaluation indicators can be violated. Indicators that allow measuring the achievability of the goals of local government bodies and understanding the causal relationship between performance goals and performance drivers are required to use in the local government performance measurement.

**Analysis of legal documents and practices in the Republic of Uzbekistan revealed no institutionalized local government performance measurement system, and no standardized official evaluation system of local government performance.** Local government performance benchmarking pilot projects were implemented neither by central or regional government, nor by independent institutions (international organizations, consultancy firms, research organizations or academia). Interviews confirmed the limited awareness of benefits of local government performance benchmarking and verified that no such projects have been implemented in Uzbekistan yet.

**The current practice with local government reporting (reports, prepared by khokims and presented to kengash) has been difficult to assess.** It has not yet been possible to figure out if there is data on outcomes and effectiveness (the input/outcome relationship) in these reports as despite the requirement in the law to publish reports information on the local government website, this data is not publicly available. In addition, as discussed above, khokims and heads of the kengashes are the same persons. Reports (if produced) to the upper level of government (regional khokims) are not made available to the public either. Given that this information is internal (if produced), we conclude that no standardized form of reporting exists; no templates are used, and performance indicators were not designed. In addition, according to experts, no internal local government performance evaluations were conducted in at least the project pilot districts.

**There is lack of relevant up-to date comprehensive data available to the local government for data-based decision-making and citizens for public oversight.** The interviews conducted with local government representatives revealed that the local governments make information on their current activities available and accessible to the local population through Telegram channels, which are very popular means of information circulation in Uzbekistan. However, this seems to be not enough as the information is not structured and stored, not all sections of the local population are reached via this mode, and still – development of local government web-sites / pages at the regional websites is highly recommended. Direct responsibilities to place budget information and reporting information on the websites may be given to assistants of the khokims.

**Generally, desk research and interviews held by the international consultant and information provided during the meetings with the director of PSA, officials from the MEDPR, the MoF, and the Oliy Majlis Research Institute confirm the importance of establishment of the local government performance measurement system in Uzbekistan, including local government performance indicators (linked to responsibilities, authorities, and available resources), tailored to its conditions, readiness of institutions at place.**



## **SECTION II.**

# INTERNATIONAL EXPERIENCE OF LOCAL GOVERNMENT PERFORMANCE MEASUREMENT



## EXPERIENCE IN EUROPEAN COUNTRIES

**Introducing performance measurement into the public sector of European countries is mainly connected with the New Public Management wave of the late 20th century.** The NPM is based on private sector performance criteria and practices, introduced into public sector, including local government. Core elements of the concept include: the unbundling of public service (local government departments) into corporatized units organized by product (services); adoption of a result-oriented public service, entailing a shift in focus from inputs and process towards outputs and outcomes; use of private-sector management methods in the public sector; explicit formal measurable standards and performance measurement; implementation of robust management in the public sector; and more focus on discipline and frugality in resource use. Germany and the Czech Republic were chosen as examples to look at the approaches to conducting the local government performance measurement in advanced and post socialist states within the EU.

## PERFORMANCE MEASUREMENT IN GERMAN LOCAL GOVERNMENTS

**Germany (population 83.9 million) is a federal state with 16 federal lands-regions (Länder), 401 counties - districts (294 Landkreise, 107 kreisfreie Städte), and 11,054 municipalities (Gemeinden).** Following the principle of subsidiarity, guaranteed in Article 28 (2) of the Basic Law, all legislative and administrative functions are assigned to the Länder. Their competencies include, for example, education, regional economic development, culture, public welfare and health, and local government affairs. Local autonomy is guaranteed by Article 28 (2) of the Basic Law. It grants local governments the right to local self-government (kommunales Selbstverwaltungsrecht), according to which local governments have the right to manage their own affairs under their own responsibility within the limits set by the law. The three-tier system of subnational governments includes, below the Länder level, a local government level composed of 295 rural districts (Landkreise) and 107 district-free cities (Kreisfreie Städte), and at the lower level, municipalities. While local government status is constitutionally guaranteed, they are governed by their Land, thus with an organization varying from one Land to another.<sup>9</sup>

**Local government functions are shared between the district and municipalities within that district.** The district thereby typically performs services that cannot be provided by a municipality alone. Local government functions, defined by the Land, vary considerably from one area to another. However, they usually include both mandatory and optional functions. Mandatory district functions include secondary roads, public transport, spatial planning, fire protection, nature and landscape, hospitals, education (secondary schools), etc. For municipalities, they include local roads, town planning, housing, sewerage, waterways, education (primary schools), recreational areas and social and youth welfare. Mandatory functions result from law and have to be performed, however up to the local authority how the task is fulfilled. Optional functions include cultural activities, economic development, tourism, local public transport, sports and leisure, etc. The local government can decide whether and how it wants to perform the optional functions: it is entirely up to a municipality whether it wants to establish a theatre, a museum, a sports field or a municipality hall. The Land cannot intervene in these matters. Local functions may be delegated to local government by the Länder. The Länder have a financial oversight function for cities and districts and they supervise, if mandatory tasks are fulfilled. Districts, in turn, have an oversight function for municipalities.

<sup>9</sup> OECD (2016) Germany Profile. <https://www.oecd.org/regional/regional-policy/profile-Germnay.pdf>

**The prevalent performance measurement methodology in the public sector today is the European assessment system CAF (Common Assessment Framework).**<sup>10</sup> (See Annex 1 for the explanation of the CAF model for local governments including criteria.) There was a boom of performance measurement in German local governments in the mid-1990s. Many approaches to measuring performance in relation to local government and public sector in general have been tested in Germany. German approach was largely based on the US experience of the second half of the twentieth century. Now it has become part of the EU standard approaches (CAF model), developed jointly by the EU member states.

**The general CAF model was adapted and introduced in Germany by the German University of Administrative Sciences Speyer.**<sup>11</sup> Afterwards, the German Public Administration Agency was engaged in the improvement of the model and coordination with the European level. This Agency is also engaged in advising individual public administration structures on the implementation of the model for the federal and regional level governments. The Cologne Municipal Analysis Bureau (KGSt) is entitled to advising local governments willing to apply the CAF.<sup>12</sup> The Bureau compared different methodologies and recommended the CAF model for widespread implementation by local governments in Germany for the following reasons: simplicity of the methodology, accessibility to use, low cost of assessment.

**The KGSt underlines that the advantage of the CAF model is the involvement in the assessment the local government officials,** who are better familiar with the local situation, local problems than external experts, and can further influence performance improvements.<sup>13</sup> The model is based on a total quality management concept adapted specifically for the public sector, inspired by the Excellence Model of the European Foundation for Quality Management. The methodology provides for a comprehensive analysis of the strengths and weaknesses of local government in specified areas, including an analysis of costs, results, processes and human resources. Now, KGSt offers the seminars to disseminate the new CAF 2020 quality management model and to enable quality management officers or future CAF project managers to independently carry out a CAF process.

**The idea of the CAF is to develop separate criteria for each thematic section, which are then refined using specific performance indicators.** Since the beginning of the use of CAF, it is the development of specific indicators that is particularly difficult, since only practical indicators (which are then used as questions in the questionnaire) are a concrete filler of the model and only through them it is possible to characterize the initial prerequisites and look at the degree of achievement of goals. The new CAF model 2020 reinforces the focus on digitization, agility, sustainability, innovation, collaboration (participation) and diversity.<sup>14</sup> Importantly, the use of the CAF model is voluntary for local governments. All materials accompanying the implementation of CAF are available online, and are distributed free of charge. Only seminars on familiarization with the methodology are the main item of expenditure.

**The success of the CAF model for local government application depends on the internal culture of the organization, the level of openness and trust.** Organizational culture is defined as the shared

<sup>10</sup> The Common Assessment Framework (CAF) is a result of the cooperation among the EU Ministers responsible for Public Administration. A pilot version was presented in May 2000 and revised versions were launched in 2002, 2006 and 2013. A CAF Resource Centre was created at the European Institute of Public Administration in Maastricht following the decision of the Directors General in charge of public service. It works in close cooperation with the network of CAF national correspondents, <https://www.eupan.eu/caf/>

<sup>11</sup> <https://www.uni-speyer.de>

<sup>12</sup> Verband für kommunales Management, KGSt, <https://www.kgst.de>

<sup>13</sup> KGSt, 2009. Qualitätsmanagement. In Orientierung für die kommunale Praxis, No 2, KGSt, 2014. Aus der Praxis für die Praxis- Vom Nutzen des Qualitätsmanagementmodells CAF überzeugt: Aktuelles zu CAF und Erfahrungsberichte der Städte Mannheim und Kevelear, <https://www.kgst.de>

<sup>14</sup> <https://www.eipa.eu/the-new-caf-2020-20-years-of-excellence-in-public-administration/>

values, attitudes and practices that characterize an organization. Within an organization, irrespective of their nature, all processes are sensibly influenced when it comes to contents and scope, by the culture. It is also essential that employees should be sure that their assessments will not affect their personal situation in any way, that in case of negative assessments, sanctions will not follow.

**Another important success criterion for local government performance improvement through the CAF methodology is the voluntary principle for these improvements and benchmarking.** The CAF methodology is considered as a suitable mechanism for benchmarking for local governments in Germany. The main initiators and facilitators of these benchmarking projects are the Bertelsmann Stiftung,<sup>15</sup> and the IKO-network (IKO-Netz), operated by KGSt. In addition, in Germany, the clearest expression of the benchmarking relevance was its insertion into the German federal Constitution. The Article 91d reads: "To determine and promote the productivity of their public administration, the Federation and Länder may conduct comparative studies and publish the results."<sup>16</sup> As an illustration of improvements after the CAF Application see Annex 2 for the Case of District of Upper Bavaria, Germany.

## PRACTICE OF BENCHMARKING IN MUNICIPALITIES OF THE CZECH REPUBLIC

**The Czech Republic (population 10.7 million) is a unitary state with a highly decentralized administration with a two-tier subnational government system composed of 14 regions (kraje) and over 6,000 municipalities (obec).** The municipal level includes municipalities, towns (mesto) and 25 statutory cities (statutarni mesto). Municipalities are divided into three categories according to the scope of their delegated responsibilities: 205 municipalities with "extended powers", 1 036 municipalities with some delegated powers (e.g. registry office, building authority) including 183 municipalities with an authorized municipal authority and the remaining which are "basic" municipalities. Municipal competences include education (pre-elementary, primary, and lower secondary education), agriculture, housing, primary health care, social care services, local roads and public transport, water and waste management. Regional responsibilities include upper secondary education, regional roads, public transport, health care / general hospitals, economic development and planning, social assistance for disadvantaged groups.

**Benchmarking as a method of performance management in local government has strongly taken root in the Czech Republic.** There are two basic approaches for using benchmarking in local government in European Union that we consider on the example of the Czech Republic. First, it could be a *bottom-up initiative* that brings together local governments who want to know the level of services they provide compared to others. They want to improve by adopting best practices that lead to good results and better services. The independent institutions (consultancy organizations, NGOs) or local government associations elaborate a benchmarking system, methodology, provide with appropriate expertise and find suitable partners for comparison. For example, at the European Union level, the European Institute of Public Administration - deals with benchmarking and other methods of improving the quality of public services. The other strategy is *mandatory benchmarking*, given by law/regulation, which is to serve instead of direct control. In this case benchmarking is implemented externally, usually by the relevant ministry or agency, and can act as a set of required goals.

**Both approaches to the application of benchmarking (voluntary and mandatory) have their advantages and disadvantages.** The first approach is used in the Czech Republic as well as in the most of the European countries. Municipalities in the Czech Republic participate in the benchmarking projects, organized for them by several bodies. These may be free, donor financed, or commercially undertaken. Central governments have avoided being highly directive and top-down in their approach to performance in Czech local governments. No instrument is obligatory for public authorities, and

<sup>15</sup> <https://www.bertelsmann-stiftung.de>

<sup>16</sup> Fenna A., Knüpling F. Benchmarking as a New Mode of Coordination in Federal Systems. In: Federalism as Decision-Making. DOI: [https://doi.org/10.1163/9789004274518\\_018](https://doi.org/10.1163/9789004274518_018)

all activities in the area are voluntary; however, the CAF and benchmarking have been methodically elaborated and promoted by the Ministry of the Interior. Official guideline information was published on various official quality-management websites - particularly on the web pages of the Ministry of the Interior<sup>17</sup> and the Czech Association for Quality.<sup>18</sup>

**Benchmarking was first tested in 2000 in a pilot project “Price and Performance,” implemented by the Centre for Education in Public Administration of the Czech Republic (Vzdelavaci centrum pro verejní správu – VVVS)** with partners - the Association of Towns and Municipalities of the Czech Republic, the Municipal Authority of Ostrava and the British Know-How Fund. It was followed by the Canadian-Czech project “Benchmarking in the Area of Extended Powers of Municipalities of the 3rd Type“, again implemented by the Centre for Education in Public Administration with the Association of Towns and Municipalities, the Ministry of the Interior of the Czech Republic, the Statutory City of Ostrava, and funded by the Canadian International Development Agency. Now it has become a regular fee based project of the Centre for Education in Public Administration, named Benchmarking initiative (Benchmarkingová iniciativa 2005 - BI 2005), focusing on benchmarking to make possible to share experiences and best practices between districts and municipalities. BI 2005 is an informal association of municipalities with the aim of increasing quality and efficiency through benchmarking comparisons and the exchange of information, experience and good practice.

**In 2021, 80 municipalities with extended powers (including 4 city districts of the City of Prague) are involved in the BI 2005 initiative.** BI 2005 member municipalities are compared in 55 agendas - areas of performance, in particular: delegated powers, operational and financial agendas, but also selected agendas of independent competence. Benchmarking comparison is performed by online database software, which has a number of functions that allow participating municipalities to enter data, make selections according to hundreds of criteria and their combinations, as well as modeling, optimization, etc. Extensive database in software applications, which now contains data for a period of 8 years - a total of almost 0.5 million data - is continuously used to create analyzes of specific agendas or a set of agendas, overall or tailor-made for the unit. At the meetings of the working groups, the results of comparisons and analyzes are systematically discussed, and good practices of municipalities are presented. Descriptions of good practices are placed in the database in the non-public part of the benchmarking web pages, where dozens of practical experiences from various areas of activity of the office and the city are available to member municipalities. Furthermore, meetings of experts are organized focusing on specific areas of performance of delegated and independent activities, where specialists on specific agendas meet and systematically work with the results of comparisons and analyzes and exchange current information, experiences and good practices. Municipalities join this exercise to gain all benefits and increase the efficiency and quality of their services voluntary on the basis of an annual membership fee and in compliance with the principles of the Code of Ethics.

**The other noticeable player, and the member of the Global Benchmarking Network (GBN),<sup>19</sup> is the company MEPCO (Mezinárodní poradenské centrum obcí), the International Advisory Center for Municipalities,<sup>20</sup>** established in 2004 as a joint venture of the Union of Towns and Municipalities of the Czech Republic and VNG International, a daughter company of the Association of Netherlands Municipalities. The key objective of the company is to support local and regional authorities in developing their quality assurance measures, providing services for municipalities in performance evaluation (CAF, Balanced Scorecard<sup>21</sup>), including software supported benchmarking process.

<sup>17</sup> <https://www.mvcr.cz/mvcren/caf-a-benchmarking.aspx>

<sup>18</sup> <https://www.csq.cz/en/>

<sup>19</sup> [www.globalbenchmarking.org](http://www.globalbenchmarking.org)

<sup>20</sup> <http://www.mepco.cz>

<sup>21</sup> The Balanced Scorecard (BSC) is a performance management tool which represents a framework to implement and manage strategy. It links a vision to strategic objectives, measures, targets, and initiatives. It balances financial measures with performance measures and objectives related to all other parts of the organization

The typical benchmarking cycle, applied in the Czech Republic, emanate from the Municipal Benchmarking Network Canada (MBNC).<sup>22</sup> It describes the benchmarking cycle in seven steps, shown in Figure 1:

**Figure 1. The Benchmarking Cycle, Applied in the Czech Republic**



Source: *The Municipal Benchmarking Network Canada*, <http://mbncanada.ca>

**Step 1. Select Programs for Benchmarking.** Select service(s) / activity(s) / area(s) that can be measured. The reason for the selection can be many factors, such as a large number of complaints and claims, high costs or other performance issues.

**Step 2. Develop Service Profiles.** If the service is to be thoroughly analyzed, it is advantageous to use some process mapping tools, such as logical models and activity-based costing. This will allow proper performance indicators to be designed (if they do not already exist). The indicators should make it possible to obtain detailed and relevant information about the service.

**Step 3. Collect and Analyze Performance Data.** At this point, data on the service (program) is collected, which is based on the performance indicators set in the previous step. This step can be quite time consuming depending on what service it is and how easily the data is retrieved. The collected data are analyzed. This analysis may include data patterns, lowest or highest costs, customer satisfaction survey results, etc.

**Step 4. Identify Best Performers.** This is to determine the range of good or at least acceptable performance. After establishing criteria for delimiting this zone the data is assigned in a coordinate system to determine who has the best performance or belongs to the best group.

<sup>22</sup> <http://mbncanada.ca>. The Municipal Benchmarking Network Canada applies benchmarking to the following service areas: Accounts Payable; Building Permits & Inspections; By-law Enforcement; Child Care; Clerks; Culture; Emergency Medical Services; Emergency Shelters; Facilities; Fire and Rescue Services; Fleet; General Government, General Revenue; Human Resources; Information Technology; Investment Management; In-House Legal Operating Cost; Libraries; Licensing; Long Term Care; Parking; Parks; Payroll; Planning; Court Services; Police Services; Purchasing; Roads; Social Assistance; Social Housing; Sports & Recreation; Taxation; Transit; Waste Management; Wastewater; Water (MBNCCanada, 2019. Performance Measurement Report. Municipal Benchmarking Network Canada, <http://mbncanada.ca/app/uploads/2021/03/2019-Performance-Report-full-mar-19-2021.pdf>)



*Step 5. Assess Best Practices.* The best practice is the preferred method of providing the service (implementation of the activity) based on the interconnected values falling within the performance band. Best practices are determined based on a combination of cost and/or quality.

*Step 6. Develop Emulation Strategies.* For a comparison it is necessary to study the best practice in great detail, to consider its possible modification (if necessary) and adapt it to the needs and capabilities of the organization within the design of a detailed implementation process.

*Step 7. Evaluation Outcomes and Process.* This step includes monitoring the newly introduced best practice to determine if the program or service performance values have improved. The evaluation can take a long time for the newly introduced best practice to “settle”, so that initially its value may not exactly match the requirements.

**These steps and the necessary activities create a seamless cycle of selection, measurement, analysis, change implementation and control leading to high quality and excellent services.** Benchmarking can also follow the application of the CAF model. CAF is free and is provided by the European CAF Resource Centre and the network of national CAF correspondents. The management of the international CAF database is entrusted to the European Institute of Public Administration.<sup>23</sup> The documents describing good practice may be found at <http://caf.eipa.eu/3/99/>.

**The National Quality Prize of the Czech Republic within the framework of the National Quality Policy** aims to promote the spread of quality in public administration and to show cases of good practice. The prize is awarded using the following tools: benchmarking, European Institute of Public Administration Common Assessment Framework (EIPA CAF), Local Agenda 21, and ISO 9001 certification which have been implemented by public authorities, especially by local governments. Quality in public administration is mainly linked to the efforts to balance 3 key elements of effective management: (1) select and enforce the right things, project them into the strategy, goals and their indicators; (2) to implement them correctly, i.e. economically, efficiently, effectively, and purposefully in deadlines; (3) communicate properly inside and outside the organization.”<sup>24</sup> The use of quality and performance management tools is voluntary for local governments in the Czech Republic, and these practices are aimed at and exert reputational effects (see examples in Annex 3).

## CONCLUSIONS FROM THE EUROPEAN EXPERIENCE

**Overall, in countries, where local governments are largely decentralized and have wide authorities to perform independently, cooperation and incentives function better than mandatory performance measurement.** Providing incentives is a good approach, for example, the underperforming local governments would have to improve the efficiency for receiving subsidies from the central government. Collaboration between the center and local governments in designing and implementing the performance measurement system, as well as introduction of scoring and ranking, is a valid approach as well.

**Germany’s governance structure and local government autonomy open up broad scope of action for local governments to become active in self-measurement to improve performance.** Features of the German model of performance measurement in local government: bottom-up and locally steered; the whole process is voluntary; the German local authorities are free to decide whether the information

<sup>23</sup> <https://www.eipa.eu>

<sup>24</sup> The Ministry of the Interior of the Czech Republic (2016). Analýza využívání metod kvality ve veřejné správě [Analysis of the use of quality methods in public administration], <https://www.mvcr.cz/mvcren/docDetail.aspx?docid=22000085&docType=ART&chnum=7>. This report on quality management in Czech public administration mainly deals with diffusion of methods, rather than with their effects. The real effects of quality management have not yet been measured and analyzed nor by central government bodies, neither by academicians. In addition, there is no information about local governments and particular performance indicators used because the use of quality and performance management tools is voluntary.

relating to local government performance will be disclosed or not to the public; the results of performance measurement will not directly cause the members to receive either certain punishment or reward for their performance. Important to stress, that it is the successful selection of indicators that is the key to the success of the CAF model: their presence makes the model easy to use and affordable.

**In the Czech Republic participation in benchmarking helps municipalities to understand what's happening now with their performance;** identify performance deficits, foresee upcoming changes; strengthen accountability, improve transparency. It enables to objectively evaluate service efficiency and effectiveness within their municipality.

**Performance information is needed to be used for realistic decision-making at the operational, tactical, and strategic levels.** The quality and performance measurement in the Czech Republic and Germany, in particular, on CAF application to municipalities and benchmarking is voluntary and is made for further performance improvements. Little data is presented on the official websites about local government performance measurement and methods used mainly because the quality and performance management is the internal process and is voluntary for local governments in the Czech Republic and Germany. Also no analyses on their real effects have been made neither by the regional or central governments nor academia. Nevertheless, there is a general consensus within the local governance experts' community on the effects of the performance measurement system at the national level: (i) Policy priorities are determined or adjusted; (ii) Policy strategies are determined or adjusted; (iii) Budgets are determined or adjusted; (iv) Performance targets are determined or adjusted. Central governments can use results of performance measurement to evaluate how well the local government meets certain standards and expectations of citizens. Central governments can reward or use sanctions on local governments, to improve their performance.

## EXPERIENCE IN THE POST-SOVIET COUNTRIES

**All the Soviet republics had the same constitution as that of the Soviet Union, and as a result, there was a single structure of public administration throughout these republics for quite a considerable time.** The main governance feature inherited by all post-Soviet countries was the complexity of vertical and horizontal oversight mechanisms.<sup>25</sup> Such complex arrangements functioned only because there was a double control line, through the Communist Party apparatus, which today doesn't exist anymore, therefore the system cannot continue to function effectively. This is what all post-Soviet countries were trying to reform and/or optimize to varying degrees and with different results. For this reason, the experience of performance measurement in these countries is relevant, and Georgia and Kazakhstan were chosen as examples.

## PERFORMANCE MEASUREMENT AND EVALUATION OF LOCAL GOVERNMENT IN KAZAKHSTAN

**Kazakhstan (population 19 million) is a unitary state featuring a high degree of centralization and a hierarchically organized system of government.** Administratively, the country is divided into 14 regions (oblasts) and two cities of special status: the current capital Nur-Sultan and the former capital Almaty. Oblast governors (oblast akims) are appointed by the President, serve as his representatives in oblasts, head the oblasts and are responsible for implementation of the President's policy decisions. The country is further divided into 175 districts/municipalities (rayons), which encompass

<sup>25</sup> Onalbaiuly S. (2019). Democratization of Local Government and Local Governance in Kazakhstan. A thesis presented in fulfilment of the requirements for the degree of Doctor of Philosophy in Development Studies at the University of Cambridge, p. 38

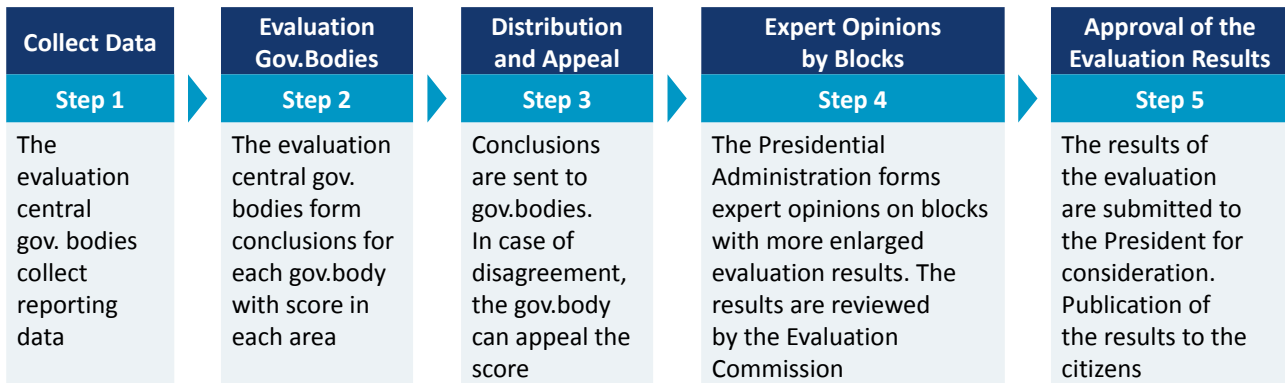


87 cities, 34 villages, and 6904 rural settlements. Oblast akims are also responsible for appointing and dismissing heads of the rayons (municipal akims) on the basis of indirect suffrage.

**Performance measurement in Kazakhstan is used for the purpose of the local governments' evaluation within a framework of the Nation's Plan on 100 specific steps.** The initial performance assessment system was introduced as part of the administrative reform in Kazakhstan through several stages. It was first voiced by the President in his Address to the people of Kazakhstan in 2005, and the interim regulatory framework adopted for 2008-2010: at this stage, work processes were mainly assessed to motivate government bodies to optimize them. According to the Decree of the President of the Republic of Kazakhstan from March 19, 2010 No. 954 the components of this performance assessment included: the attainment and implementation of strategic objectives and tasks across the supervised industry / scope / region; the enforcement of acts and instructions of the President of Kazakhstan, Secretary of State, Government, President's Administration, Prime Minister's Office; budget management; delivery of public services; human resource management; use of information technology; legal support of government agencies.

**In 2016, as part of the framework of the Nation's Plan on 100 Specific Steps, a new model for evaluating all government bodies was developed.** The new model abandoned the assessment of many internal procedures and prioritized evaluating the results and supporting core public administration reforms. For example, an external expert survey on key areas of activity of government bodies was introduced; the level of public satisfaction with the quality of public services is measured annually, which made it possible to measure the results of the work.<sup>26</sup> The process of evaluation is presented on the Figure 2.

Figure 2. The Process of Evaluation of the Activities of Government Bodies, including Local Executive Bodies (Akimats) in Kazakhstan



Source: The Center for Research, Analysis and Efficiency Evaluation LLP <https://www.bagalau.kz/sistema-otsenki/protsess-otsenki>

The structure of government bodies' performance evaluation consists of three blocks:

(1) *Achievements of Goals*. The first block analyzes the achievement of annual performance indicators established in the strategic plans of ministries and regional development programs, as well as the effectiveness of the use of budget funds in achieving strategic goals.

(2) *Interaction with Citizens*. The second block is directed on improving three key areas of work of government agencies and akimats with the population - how they provide government services, respond to complaints and statements, and how open they are in their work. The openness of government agencies is evaluated through their activity on the information portals of the Open Government.

<sup>26</sup> <https://www.bagalau.kz/methodology>

(3) *Organizational Development*. This block enables to increase the efficiency of government agencies and akimats as organizations. This block evaluates how a government agency uses IT systems in its work and how it manages personnel. See Groups of Specific Indicators for Government Bodies' Performance Evaluation in Kazakhstan in the Annex 7.

**The evaluation methodology is dynamic in order to take into account the current tasks of the state administration.** Proposals for the revision of individual evaluation criteria are made annually from all government bodies, the Center for Evaluation of the Effectiveness of the Government Bodies (The Evaluation Center) and from external experts. The results of the government bodies' performance evaluation by blocks, by state bodies, by indicators are available on the website of the authorized evaluating organization - the Evaluation Center, <https://www.bagalau.kz/results>. The Evaluation Center issues a Report "Assessment of the Effectiveness of the Activities of Government Bodies", which is available online.<sup>27</sup> The concrete data on local government performance evaluation results is not included in the publicly available Report (pages 28-65 for akimats)). Only generalized conclusions, key trends and questions are presented.

## PERFORMANCE EVALUATION INITIATIVES IN LOCAL GOVERNMENT OF GEORGIA

**Georgia (population 4 million) is a unitary state, subdivided into nine regions (mkhare), two autonomous republics and city Tbilisi with a special status of the Capital City.** The 12 regional level administrations are subdivided into 64 self-governing municipalities: 59 self-governing communities and five self-governing cities. Regions are subdivided into districts including urban districts in Tbilisi, and municipalities in the other administrative regions. The regions each have a regional administration headed by a State commissioner – informally termed a governor – who is appointed by the Government of Georgia. There are no representative bodies at regional level and administration of the regions is the responsibility of the representative of the government.<sup>28</sup> The municipalities consist of three organs: the Sakrebulo (council) is its representative and by function the legislative organ; the Gamgeoba (city hall) is the local administrative organ and is headed by the Gamgebeli (head of municipality), who is the executive organ in a self-governing community. The head of a self-governing city is called the Meri (mayor). See Annex 9 for the own powers of local governments of Georgia according with the Organic Law of Georgia Local Self-Government Code.

**The local self-governance system in the current form was established on the basis of the Organic Law on Local Self-Governance Code adopted on 5 February 2014.** According to Article 130 of the Code, supervision of municipal bodies is now exercised by the Prime Minister of Georgia. In 2017 the constitution was amended with a new Article 7, paragraph 4: "The citizens of Georgia shall regulate affairs of local importance through local self-governance in accordance with the legislation of Georgia. The delimitation of the powers of state authority and local self-government units shall be based on the principle of *subsidiarity*. The State shall ensure the compliance of the financial resources of a self-government unit with the powers of the self-government unit as defined by the organic law"<sup>29</sup>. From 2014, the citizens elect all mayors and councilors of municipalities directly. According to the Regional Development Programme of Georgia for the period 2018–2021, "despite the implemented local government reforms, municipalities and settlements in Georgia still don't have borders; financial resources at local level are not sufficient; and many public services for citizens and businesses are organized at central level."<sup>30</sup>

<sup>27</sup> <https://www.bagalau.kz/upload/23-01-2019/a9e53fabe8c124be20efdd17218a85ff06d62b12.pdf>

<sup>28</sup> CoE, 2018. Local and Regional Democracy in Georgia. Report. Congress of Local and Regional Authorities, Council of Europe. 35th SESSION

<sup>29</sup> The European Charter of Local Self-Government was ratified by the Georgian Parliament in 2004.

<sup>30</sup> <http://www.regpol.ge/Eng/documents>

**Performance measurement in local governments of Georgia is not officially established, however, several initiatives, piloting local government evaluation approaches were implemented.** One of those is the “Good Governance Initiative” of the Ministry of Regional Development and Infrastructure and the USAID<sup>31</sup> - a five-year project to support the Government of Georgia in strengthening overall transparency, accountability, and effectiveness of selected governance and service delivery systems, as well as to deepen the existing level of decentralization and strengthen the power of local authorities to perform their tasks through legislative reform and capacity building. The project applied the *comparative performance measurement* method to Georgian municipalities as a pilot in three large Georgian cities - Kutaisi, Batumi, and Akhaltsikhe. KPIs were developed by the project partner, the Policy and Management Consulting Group, jointly with other organizations, including the Ministry of Regional Development and Infrastructure, and the National Association of Local Authorities of Georgia (NALAG). Priorities regarding data to be collected at municipal level were discussed with the National Statistics Office of Georgia GEOSTAT.

**Introducing performance monitoring and evaluation systems in Georgian municipalities as part of the “Networking for Efficiency and Development (N4ED) – a new modality for effective local self-governance in Georgia” project is a good example.**<sup>32</sup> The N4ED project is implemented in 2018 - 2021 by the NALAG and is funded by the EU. The goal of the project represents the enhancement of good governance and sustainable development in the regions of Georgia. The objectives are (1) to support good governance, transparency and citizen participation based policy processes in Georgia municipalities; (2) to introduce performance monitoring and evaluation system (PMES) in local government; and (3) to exchange experience and information among Georgian local government units on the issue of citizen participation so that local economic development is accomplished through high involvement of society. The project is now in progress; according to the open data, the project partner, PMC Research develops the PMES with its corresponding IT software solution to set further the KPIs and their respective baselines, to identify performance gaps, to plan actions, and to improve policies in collaboration with the heads of different departments of the pilot local governments.<sup>33</sup>

**Another example of the performance evaluation in the finance area in Georgia is the Local Finance Benchmarking (LFB) project in Georgia implemented in 2016-2017.**<sup>34</sup> The joint project of the Centre of Expertise for Local Government Reform and the Directorate General of Democracy, Council of Europe aimed to support the local government reform, primarily by increasing the efficiency and accountability of local authorities. The Center of Expertise developed the *toolkit for benchmarking of local government financial resources and financial management practices* so that local governments may learn from each and improve their performance through comparison and information sharing. The toolkit assesses the local financial resources and financial management practices by scoring them along a standardized set of criteria. Then the scores are compared with the results in other similar municipalities, indicating the areas of the best and lower performance in a particular municipality and helping to identify the directions of improvement. In Georgia the adaptation of the standard LFB has been completed through piloting. The LFB survey was implemented in five self-governing cities (Kutaisi, Zugdidi, Akhaltsikhe, Gori, Rustavi) and in two municipalities (Bolnisi, Marneuli).

<sup>31</sup> <https://www.tetrattech.com/en/projects/georgia-good-governance-initiative>

<sup>32</sup> <http://nala.ge/en/post/234824-networking-for-efficiency-and-development-n4ed-a-new-modality-for-effective-local-self-governance-in-georgia-->

<sup>33</sup> [https://www.pmcg-i.com/news\\_show/619/Introducing-the-Performance-Monitoring-and-Evaluation-System-\(PMES\)-to-all-Municipalities-of-Georgia](https://www.pmcg-i.com/news_show/619/Introducing-the-Performance-Monitoring-and-Evaluation-System-(PMES)-to-all-Municipalities-of-Georgia)

<sup>34</sup> CoE (2017). Local Finance Benchmarking Toolkit: piloting and lessons learned. The project “Strengthening Institutional Frameworks for Local Governance 2015-2017”. Georgia. Council of Europe. Strasbourg. <https://www.coe.int/en/web/good-governance/lfb>

## CONCLUSIONS FROM THE POST-SOVIET COUNTRIES EXPERIENCE

**A “vertical system” approach would be appropriate if the main goal of the central government is to monitor compliance of the municipal service provision with the national standards, promote accountability at local level, and determine the amount of funds local governments will receive from the center.** Alternatively, a preference would be to use a bottom-up approach when the primary goal is capacity building in local governments. If the central government (ministry / agency) is the initiator of the performance measurement the engagement of local governments in the process design will enhance the quality of the data, and the likelihood that the indicators will be used to improve the efficiency and effectiveness of the local government services.

**The case study of Kazakhstan is interesting as an example of a nationwide introduction of the performance evaluation system, which is a top-down institutionalization of performance management in government bodies** through adoption of a regulatory framework of the performance evaluation<sup>35</sup> and establishment of a specialized institution - the Center for Research, Analysis and Efficiency Evaluation LLP.<sup>36</sup> Introducing the performance assessment system in Kazakhstan is based on studying of the international experience and choosing the appropriate approach, built upon the Management Accountability Framework of Canada (MAF)<sup>37</sup>. The Kazakhstan framework consists of the same blocks as the MAF evaluation system: Financial Management, Information Management, Result-orientation, Human Resource Management, Public Service Delivery, however, the purpose of the performance evaluation in Kazakhstan is the compliance with the requirements, standards and norms, rather than improving the quality of management and overall performance. Taking into account all the circumstances of the context of a post-Soviet country, when transferring administrative and fiscal functions from the central government (regardless of the degree of transferal), it seems appropriate in the first instance to ensure accountability of local government both to higher government bodies and to the citizens of the respective territories according to the proposed / jointly developed criteria for performance assessment until the next phase of decentralization will take place.

**Two main lessons from studying the Georgia’s experience are:** (1) the simplified performance measurement system which has been contextualized and adapted to the specific needs and conditions of the country should be piloted and further fine-tuned after being analyzed; (2) a small set of core, consistent indicators that will help citizens understand how well their local government is performing is needed for increasing the accountability from the public.

<sup>35</sup> Decree of the President of the Republic of Kazakhstan dated March 19, 2010 No. 954 “On the System of Annual Performance Evaluation of the Central State and Local Executive Bodies of Regions, a City of Republican Significance, the Capital” [O sisteme yezhegodnoy otsenki effektivnosti deyatel’nosti tsentral’nykh gosudarstvennykh i mestnykh ispolnitel’nykh organov oblastey, goroda respublikanskogo znacheniya, stolitsy], [http:// www.bagalau.kz/ru/evaluation-system/ukaz](http://www.bagalau.kz/ru/evaluation-system/ukaz)

<sup>36</sup> The Center for Assessing the Effectiveness of Government Bodies was established in 2010 with the support of the UNDP in Kazakhstan and since 2011 has been providing expert, methodological and analytical support to the system for assessing the effectiveness of government agencies. It was operating within the Economic Research Institute and was coordinated by the Ministry of National Economy Since 2020, the Center has been transformed into the Center for Research, Analysis and Efficiency Evaluation LLP, <https://www.cifn.kz/>

<sup>37</sup> Suleimenova G., Kapoguzov E., Kabizhan N., Kadyrova M. (2019) Performance Evaluation of the Government Agencies of Kazakhstan. The NISPAcee Journal of Public Administration and Policy, Vol. XI, No. 2



## **SECTION III.**

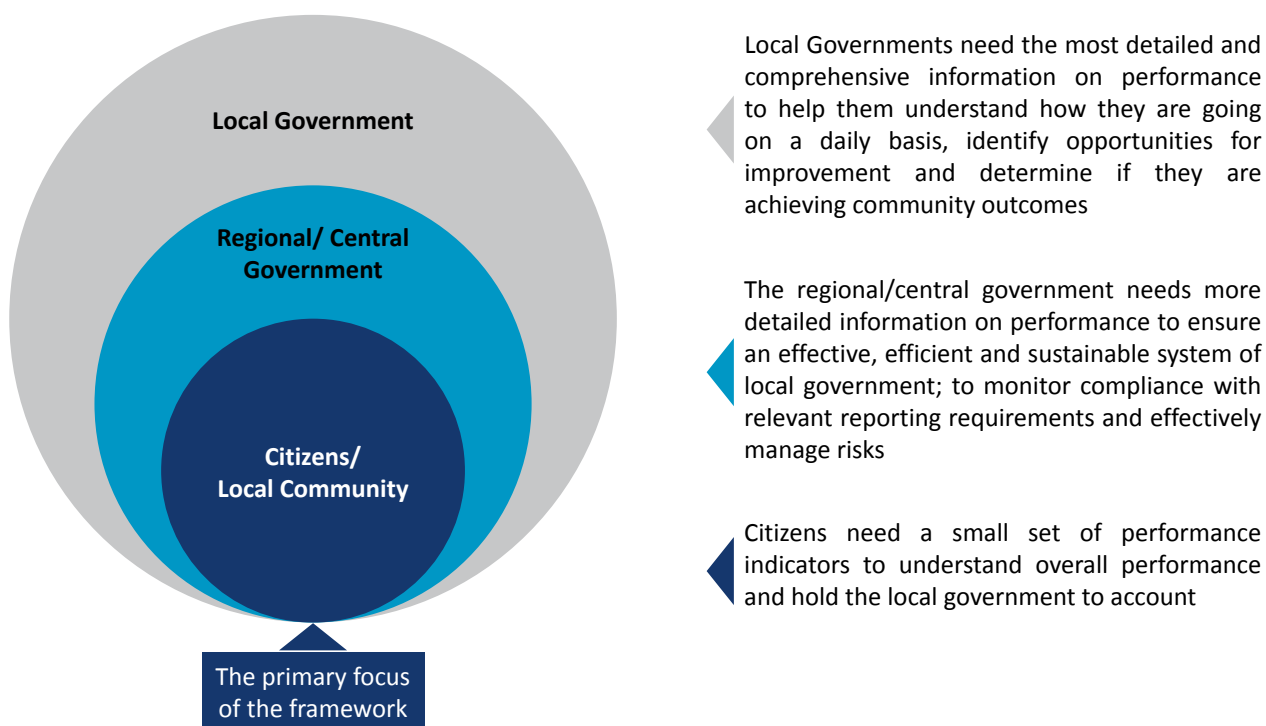
# LOCAL GOVERNMENT PERFORMANCE MEASUREMENT FRAMEWORK FOR UZBEKISTAN



## THE RATIONALE FOR LOCAL GOVERNMENT PERFORMANCE MEASUREMENT

The main objective of the proposed local government performance measurement framework (LGPMF) for Uzbekistan is to improve the local government performance through benchmarking and strengthening external and internal accountability. Performance data has the potential to be used in different ways. External, or public, accountability is the notion that governments must report to the citizens to on how they use public resources. Internal, or upward, accountability refers to that lower levels of hierarchical organizations must report to their hierarchical heads to justify the decisions made and the strategies followed. However, performance measurement is not a solution to solve all the governance problems, but just a tool that answers a question: *how will we know if we are there where we want to be*. Linking performance to an incentive is a proven mechanism to drive performance improvement, according to OECD, “as increases in both the efficiency and effectiveness of public service delivery, including improving the mix and use of inputs, as well as enhancing the quality of outputs to achieve better outcomes for the whole population.”<sup>38</sup> Local government performance measurement can balance the needs and expectations of a number of audiences, presented on the Figure 3.

Figure 3. Audiences of the Local Government Performance Measurement



In a longer term, it is expected, that application of the performance measurement impacts local government performance improvements in the following ways: (1) It redefines the relationship between the local elected councils (kengashes) and the local executive authorities (khokimiyats), which are to function as local government under the direction and control of kengashes but subject to the directives of the national and regional authorities. Methods based on performance measurement enable local councils to have a more strategic and outcome-oriented manner of decision making, while steering the administrations. (2) It broadens the space for citizen participation

<sup>38</sup> OECD (2018). Improving the Performance of Sub-national Governments through Benchmarking and Performance Reporting. By Phillips L. OECD Working Papers on Fiscal Federalism No. 22. P.4

through strengthening institutional mechanism, ensuring transparency, such as public hearings and public meetings, citizen advisory councils, anti-corruption committees, participatory budgeting.

## GENERAL ARRANGEMENTS FOR BUILDING A LOCAL GOVERNMENT PERFORMANCE MEASUREMENT SYSTEM DEVELOPMENT

**As shown in the conclusions of the Section II of the policy paper, the best arrangement for Uzbekistan to achieve quick and better results will be the introduction of a mixed model of the performance measurement system**, where participation in performance measurement is mandatory, but with participation of both the central government (ministries) and representatives from the local governments. Besides the experience of the European countries and the post-Soviet countries, different local government performance measurement approaches were taken into account to propose the basic framework. This is the approach of the Municipal Benchmarking Network Canada,<sup>39</sup> the Norwegian Local Government Performance Measurement Model Kostra,<sup>40</sup> and the Australian Local Government Performance Reporting Frameworks<sup>41</sup> (see Annexes 3, 4, 5).

**The possible mechanisms for development of the Uzbekistan local government performance measurement system are the following:**

(1) The coordination of the performance measurement system development is provided by a central institution (Ministry, authorized agency / organization).<sup>42</sup> A vertical system works well for a long tradition of lean management among the local governments and will contribute to the quality and homogeneity of the data.

(2) The performance measurement system is designed in close collaboration with the local government sector. Representatives of the local governments both executive authorities and Kengashes participate in designing the system. They are those who should know better the services they produce, and, in addition, this will serve as a capacity building exercise.

(3) A coordination committee, consisting of representatives of a central institution and local governments, is continuously involved from the early preparation stage. This committee should manage the data collection, checking the validity of data, producing the indicators, and disseminating the information. The collaboration with the Accounts Chamber (the Supreme Audit Institution)<sup>43</sup> would create synergies and avoid duplication of efforts. The collaboration with the State Committee on Statistics of the Republic of Uzbekistan (the National statistical office) can add value in controlling the accuracy and validity of data, which is used to manage a database.

(4) Local governments should provide audience-specific performance information that is: *(a) accessible* (placed on the official web-site or published in the official mass media) *(b) reliable and unbiased* (up-to-date, accurate, based on facts, information, and not used as for a public relations campaign to be trusted).

<sup>39</sup> The Municipal Benchmarking Network Canada, <http://mbncanada.ca>

<sup>40</sup> <https://www.ssb.no/en/offentlig-sektor/statistikker/kostrahoved>; According to the OECD, KOSTRA has been beneficial for the central government: performance monitoring and examining compliance with the national standards; and local government: easy information sharing, reputation effect, and dissemination of performance data. See OECD (2008). Promoting Performance: Using Indicators to Enhance the Effectiveness of Sub Central Spending. OECD Network on Fiscal Relations Across Levels of Government. Working Paper No. 5

<sup>41</sup> Brunet-Jailly E., Martin J.F. (2010). Local Government in a Global World Australia and Canada in Comparative Perspective. Toronto Buffalo, London University of Toronto Press cop.

<sup>42</sup> To be discussed: Ministry of Justice of the Republic of Uzbekistan, Ministry of Economy of the Republic of Uzbekistan, Public Service Agency etc.

<sup>43</sup> The Supreme Audit Institutions globally tend to employ the performance audits in accordance with the standards of the International Organization of Supreme Audit Institutions (INTOSAI). INTOSAI is an autonomous, independent and non-political organization, which operates as an umbrella organization for the external government audit community, and has a special consultative status with the Economic and Social Council (ECOSOC) of the United Nations, <https://www.intosai.org>



## LOCAL GOVERNMENT PERFORMANCE MEASUREMENT PUT INTO PRACTICE

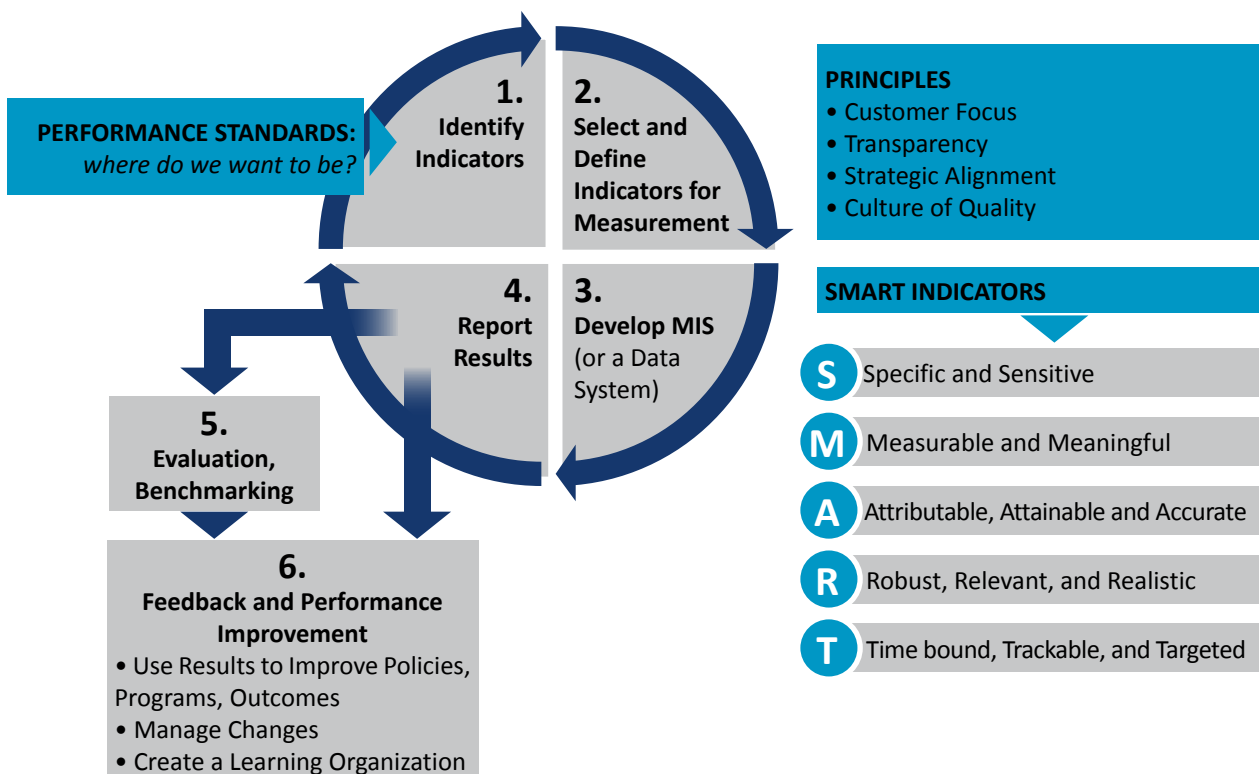
**Local Government performance measurement is the cyclical process of collecting, analyzing and reporting data regarding the performance of local government.** The framework seeks to move away from compliance-based reporting and focus on a small set of core consistent indicators that will help understand how well local governments are performing. The concrete content and the scope of the framework should be built in a participatory way, in close collaboration with the representatives of local government and with the upper government structures to which local government is currently accountable. These are the representatives of the regional khokim, regional line ministry officials, as well as the line Ministries at the national level, assuming they will initiate (or join) the performance measurement and benchmarking initiative.

**The main steps of the performance measurement and improvement within performance management are illustrated on the Figure 4.**

*Step 1. Determine Key Performance Areas, Objectives, Standards and Indicators:* outline key performance areas (priority issues of development by local governments) and formulate appropriate objectives.

*Step 2. Select and Define Indicators for Measurement.* It should be guided by principles: customer focus, transparency, strategic alignment and culture of quality. Data for the indicators should be quantifiable and available; the indicators should clearly tie to the objective that it is intended to monitor. Indicators must be measurable, relevant, simple and precise.

Figure 4. Placement of the Performance Measurement and Improvement in the Performance Management



Source: Author, on the basis of Local Government Performance Reporting Framework Strategic Directions Paper 2018-21, Victoria, Australia

*Step 3. Develop Management Information System (MIS).* MIS play an important role in measuring local government performance. MIS are used to process information both at strategic and operational level to monitor activities, assess and plan new services, and monitor trends which enable to effectively manage the strategic direction of an organization.

*Step 4. Report Results* according with the audiences presented on the Figure 3: citizens, community, regional / central government, and local government itself.

*Step 5. Evaluate of results* (comparison of actual results to baseline indicators) to know whether local government is producing results or having an impact;

*Step 6. Provide feedback for the management of the process* to analyze and interpret the evaluation, identifying factors and measures needed to adjust the processes so that indicators are improved incrementally.

**The establishment of the performance indicator system depends on the objectives to be achieved.**

According to the OECD, countries generally aim to achieve multiple objectives with their local governments' indicator systems. As a result there is no "optimal" design for a system of indicators.<sup>44</sup> The OECD experts emphasize, that system of indicators can serve a variety of specific objectives: allocation of resources, control of resources, evaluation of quality, cost, and coverage, transparency and communication with citizen stakeholders, promoting efficiency, etc. A central government could choose, for example, to facilitate comparison and competition to enhance cost effectiveness by benchmarking specific aspects of service delivery.

**Usually, the main expected local governance outcomes are: responsive, effective, efficient, sustainable services, and progress in local socio-economic development.** Thus, this is one possible array for structuring indicators. Australia's Review of Government Service Provision, a comprehensive assessment that provides performance information on 14 areas of public services, which are: Education, Health management, Vocational education and training, Aged care, Police services, Court administration, Disability services, Corrective services, Children's services, Emergency management, Protection and support services, Public hospitals, Housing, Primary and community health, and Health management. In turn, Norway's KOSTRA system monitors equity, efficiency and effectiveness indicators.

**The suggested key performance areas for Uzbekistan are (i) public service delivery, and (ii) local economy development.** The other areas to consider could be (iii) financial performance (the effectiveness of financial management in local government), (iv) sustainability (local government's capacity to deliver services, absorb changes and shocks and make decisions in the best interests of the citizens in their districts). Some countries add "good governance and public participation" as a priority issue of local government performance. A coordination committee should identify a consistent set of core performance indicators that can apply to local governments for accountability to kengash, to citizens of the district; reporting to regional level of government (khokim and regional line ministries); and promoting continuous improvement amongst local governments. It is expected that at first a set of well-defined local government objectives are determined, and then appropriate performance indicators for monitoring achievement of objectives are set. They should be based on and aligned with national, line ministry, regional, industry or other standards or requirements.

<sup>44</sup> OECD (2008). Promoting Performance: Using Indicators to Enhance the Effectiveness of Sub Central Spending. OECD Network on Fiscal Relations Across Levels of Government. Working Paper No. 5. P.4

**Benchmarking is becoming a central instrument for improving the performance of the public sector.**<sup>45</sup> Even if the local government performance can be measured, however, challenges exist to give an objective assessment of the activities performed and the effectiveness of local government. For example, is the satisfaction of citizens with public services by 70% a good or a bad result? How to determine whether the budget expenditures per school student are high or low? In the case of the public sector, the answer can only be obtained by comparing it with other local governments that provide the same services, or by comparing it with a standard, if one has been developed. Thus, benchmarking the performance of local governments is the objective of many performance measurement systems, and becomes an important tool for evaluation of local governments, learning from best practice, and holding them accountable for providing high quality services.

**In closing, the key points are:**

- First, the objectives, standards and performance indicators are in the center of the local government performance measurement system. While functional assignments and administrative sharing between levels of government are not regulated by law in Uzbekistan, and as a result, the different levels of government (republic, region, and district/local) have unclear and/or overlapping mandates, it is difficult to clearly determine the degree of real contribution of the local government in the achieved result and reflect it in the indicators.
- Second, according to the World Bank, one of the most common perverse consequences of performance measurement that should not be forgotten is the excessive reliance on indicators to make decisions about policies (sometimes labeled ‘indicatorism’). “In the complex world of public service provision, it is difficult to rely on a single indicator as an alternative to more thorough knowledge and careful reflection on the causes and consequences of organizational performance.”<sup>46</sup>
- And finally, it is especially important that the government-wide performance information system should be developed as an integrated whole, especially in highly centralized systems like Uzbekistan. The system should be further supplemented by performance-based budgeting (with the leading role for the Ministry of Finance) and by performance audit (with the leading role of the Supreme Audit Institution). The governments should respond to the public demand and seek to comply with the modern standards of open and transparent information. Access to relevant, timely, and reliable information on local government activity is crucial for the successful implementation of the performance measurement and ultimately for the improvement the quality of life of population.

<sup>45</sup> Benchmarking is the practice of comparing the processes and performance metrics of one organization to best practices across the sector as a whole. Xerox, a recognized leader in business process benchmarking, began using it in the 1980s. David Kearns, Xerox chief executive officer, called benchmarking “the continuous process of measuring products, services and practices against the toughest competitors or those companies recognized as industry leaders.” See Kearns D.T. (1986). *Quality Improvement Begins at the Top*. World. 1986. P. 20

<sup>46</sup> World Bank (2007). *Performance Accountability and Combating Corruption*. Ed. by A. Shah. P.29

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# ANNEX

## ANNEX 1. THE COMMON ASSESSMENT FRAMEWORK (CAF) QUALITY MANAGEMENT MODEL FOR LOCAL GOVERNMENTS - 2020

**CAF is an easy-to-use instrument for internal quality assessment of all work areas of an organization.** CAF shows strengths and potential for improvement and thus serves the sustainable implementation of a continuous improvement process. The CAF model is based on the European Foundation for Quality Management (EFQM) Excellence Model and methods of organizational self-assessment, known since the 1990s. In fact, the CAF system is an adaptation of the EFQM criteria for the field of public administration and has been developed since the early 2000s by public sector practitioners under the auspices of the European Public Administration Network (EUPAN) and the European Institute of Public Administration (EIPA).

Organizations that have used CAF in an effective way can be awarded the European 'Effective CAF User' label, which is valid for two years.





## Principles of Excellence

**Principle 1: Results orientation.** The organization focuses on results. Results are achieved which please all of the organization's stakeholders (authorities, citizens/customers, partners and people working in the organization) with respect to the targets that have been set.

**Principle 2: Citizen/customer focus.** The organization focuses on the needs of present as well as potential citizens/customers. It involves them in the development of products and services, and the improvement of its performance.

**Principle 3: Leadership and constancy of purpose.** This principle couples visionary and inspirational leadership with constancy of purpose in a changing environment. Leaders establish a clear mission statement, as well as a vision and values; they also create and maintain the internal environment in which people can become fully involved in achieving the organization's objectives.

**Principle 4: Management of processes and facts.** This principle guides the organization from the perspective that a desired result is achieved more efficiently when related resources and activities are managed as a process, and effective decisions are based on the analysis of data and information.

**Principle 5: People development and involvement.** People at all levels are the essence of an organization and their full involvement enables their abilities to be used for the organization's benefit. The contribution of employees should be maximized through their development and involvement, and the creation of a working environment of shared values and a culture of trust, openness, empowerment and recognition.

**Principle 6: Continuous learning, innovation and improvement.** Excellence is challenging the status quo and effecting change by continuous learning to create innovation and improvement opportunities. Continuous improvement should therefore be a permanent objective of the organization.

**Principle 7: Partnership development.** Public sector organizations need others to achieve their targets and should therefore develop and maintain value adding partnerships. An organization and its suppliers are interdependent, and a mutually beneficial relationship enhances the ability of both to create value.

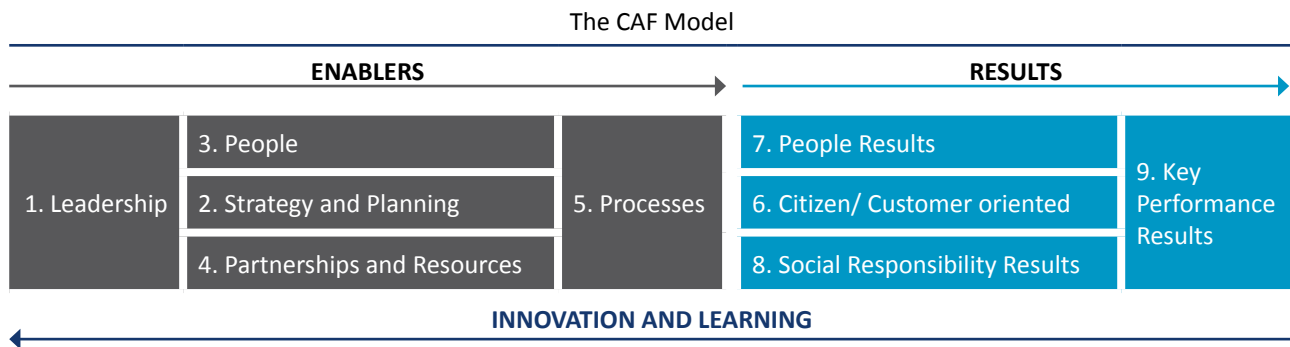
**Principle 8: Social responsibility.** Public sector organizations have to assume their social responsibility, respect ecological sustainability and try to meet the major expectations and requirements of the local and global community.

**These Principles of Excellence are integrated into the structure of the CAF** and in time, the continuous improvement of the nine criteria will bring the organization to a high level of maturity. For each principle, four levels of maturity have been worked out so that an organization can have an idea of its way forward towards excellence.

**CAF is widespread in many European countries, including all EU countries, where work is carried out under the patronage of national ministries responsible for public administration reforms.** CAF was created in 2000. The initial CAF model was redeveloped in 2013 and completely revised as CAF 2020<sup>47</sup> at the end of 2019 to take up the current challenges of the public sector such as digitization, innovation, sustainability, agility, diversity. As before, the new CAF version is based on Principles of Excellence, comprises 9 subject areas and 28 criteria.<sup>48</sup>

<sup>47</sup> EUPAN CAF 2020 Manual, [https://www.eipa.eu/wp-content/uploads/2020/10/CAF2020\\_English.pdf](https://www.eipa.eu/wp-content/uploads/2020/10/CAF2020_English.pdf)

<sup>48</sup> Examples of indicators for each criterion and subcriterion, assessment guidance, and the scoring system are presented in the EUPAN CAF 2020 Manual, [https://www.eipa.eu/wp-content/uploads/2020/10/CAF2020\\_English.pdf](https://www.eipa.eu/wp-content/uploads/2020/10/CAF2020_English.pdf)



Source: EUPAN CAF 2020 Manual, [https://www.eipa.eu/wp-content/uploads/2020/10/CAF2020\\_English.pdf](https://www.eipa.eu/wp-content/uploads/2020/10/CAF2020_English.pdf), p.5

## Enablers Criteria

Criteria 1-5 deal with the managerial practices of an organization, the so-called enablers. These determine what the organization does and how it approaches its tasks to achieve the desired results.

### *Criterion 1: Leadership*

Subcriterion 1.1. Provide direction for the organization by developing its mission, vision and values.

Subcriterion 1.2. Manage the organization, its performance and its continuous improvement.

Subcriterion 1.3. Inspire, motivate and support people in the organization and act as a role model.

Subcriterion 1.4. Manage effective relations with political authorities and other stakeholders.

### *Criterion 2: Strategy and Planning*

Subcriterion 2.1. Identify the needs and expectations of the stakeholders, the external environment and the relevant management information.

Subcriterion 2.2. Develop strategies and plans based on gathered information.

Subcriterion 2.3. Communicate, implement and review strategies and plans.

Subcriterion 2.4. Manage change and innovation to ensure the agility and resilience of the organisation.

### *Criterion 3: People*

Subcriterion 3.1. Manage and improve human resources to support the strategy of the organisation.

Subcriterion 3.2. Develop and manage competencies of people.

Subcriterion 3.3. Involve and empower the people and support their well-being.

### *Criterion 4: Partnerships and Resources*

Subcriterion 4.1. Develop and manage partnerships with relevant organizations.

Subcriterion 4.2. Collaborate with citizens and civil society organizations.

Subcriterion 4.3. Manage finances.

Subcriterion 4.4. Manage information and knowledge.

Subcriterion 4.5. Manage technology.

Subcriterion 4.6. Manage facilities.

### *Criterion 5: Processes*

Subcriterion 5.1. Design and manage processes to increase value for citizens and customers.

Subcriterion 5.2. Deliver products and services for customers, citizens, stakeholders and society.

Subcriterion 5.3. Coordinate processes across the organization and with other relevant organizations.

## **Results Criteria**

**From Criterion 6 onwards, the focus of the assessment shifts from enablers to results.** In the first three results criteria local governments measure perceptions: what our people, citizens / customers and society think of them. There are also internal performance indicators that show how well local governments are doing against the targets they may have set for themselves - the outcomes.

### *Criterion 6: Citizen/Customer Oriented Results*

Subcriterion 6.1. Perception measurements.

Subcriterion 6.2. Performance measurements.

### *Criterion 7: People Results*

Subcriterion 7.1. Perception measurements.

Subcriterion 7.2. Performance measurements.

### *Criterion 8: Social Responsibility Results*

Subcriterion 8.1. Perception measurements.

Subcriterion 8.2. Performance measurements.

### *Criterion 9: Key Performance Results*

Subcriterion 9.1. External results: outputs and public value.

Subcriterion 9.2. Internal results: level of efficiency.

## ANNEX 2. CASE: DISTRICT OF UPPER BAVARIA. GERMANY. IMPROVEMENTS AFTER THE CAF APPLICATION<sup>49</sup>

**The district is by far the largest and most populous district in Bavaria with over 4.5 million residents (about 1.4 million of them are living in the city of Munich),** a dynamic and prosperous region where on the one hand the public sector must compete with the private sector and on another with high costs of living. It is a self-governing body with a parliament (district council/’Bezirkstag’) led by an elected President (’Bezirkstagspräsident’) which is responsible for various public services exceeding the capability of the municipalities, cities and local districts in the area of public health, social welfare and cultural heritage. About 800 people work at the main office of the district administration in Munich. Responsible for the operational business is the director. Reference number of the sub-criteria of the CAF enablers related to the good practice(s): Criteria: 1, 2, 3, 4, 5. Sector of the organization: Regional and local administration – Social services & social security.

**The goal of the district of Upper Bavaria and its administration staff is a stakeholder and citizen friendly service.** Beginning in 2005, a structured quality management approach on the basis of a CAF process was introduced. Based on three CAF self-assessments (2005, 2011 and 2013) the district implemented a variety of activities to improve the quality of services and products. These activities were assessed by external feedback experts resulting in the label ‘Effective CAF User’ being awarded by the Federal Ministry of the Interior in 2015.

**Applying the CAF resulted in various activities in HR management over the three years, since 2013.** HR management was one of the three pillars of the strategic plan (the others were ‘communication’ and ‘knowledge management’) to achieve the label and to show how the district implemented the results and findings of the CAF self-assessments. In a dynamic and prosperous region such as Munich it is increasingly difficult to attract candidates for the public sector. Furthermore the director of the district administration in Munich wanted the staff to be satisfied with the working environment and took steps to optimize staff retention. This means for HR management to promote: (i) Job development opportunities; (ii) Training courses for everyone; (iii) Special trainee programs; (iv) Executive feedback system; (v) Performance incentives; (vi) External review of key processes.

**The first results in the field of HR management have shown promising signs of improvement.** The numbers of trainees have increased since 2012 and have proven that the district is a well-established training organization. Another important figure was the decline of our staff turnover rate. In the survey conducted in 2014, the staff was asked to assess their overall working situation in the following dimensions: scope of action; versatile range of working; holistic approach of working; information and participation; social support; working atmosphere; cooperation among staff; work content; amount of work; customer/client contact; processes; work environment; payment and development opportunities. The results were discussed in several workshops and meetings and presented at a leadership meeting.

**The main goals of the activities implemented after the CAF self-assessment, leading to the results mentioned in the CAF action plan were:** to describe district’s philosophy of a people-centered organization through the classic principles of a selection and developing core competencies; establishing knowledge management to enhance learning and organizational specific knowledge and skills; improve working conditions through a health management programme.

**The first CAF self-assessment of 2011 identified the departure and retirement of the staff as a crucial area of the example/indicator sub-criteria 4.4.69:** Ensuring, that key information and knowledge of employees is retained within the organization in the event of their departure. Also a feedback system for District’s leadership was a field of improvement. In the third CAF self-assessment 2013 the assessment group did focus on the HR department as a whole. How can the HR department become a better internal service

<sup>49</sup> EUPAN (2016). CAF Improvement Identification, Prioritisation and Implementation. A study of inspiring practices installed in 20 Public Sector organisations throughout Europe and the methodologies for prioritization. [https://www.ipa.government.bg/sites/default/files/caf\\_study\\_slovak\\_presidency\\_compressed\\_0.pdf](https://www.ipa.government.bg/sites/default/files/caf_study_slovak_presidency_compressed_0.pdf), pp.67-73

provider for the administration? How to make sure the employees are strengthening their customer orientation? How can the HR department focus on their key task? Together with the HR management the so called 'management support unit' developed a knowledge management concept with a structured knowledge transfer interview if an employee leaves the district. With a guided interview and a mind map, the knowledge was well documented and accessible for the successor in the job.

**Another step taken was the establishment of a management feedback system.** With the help of an external service, specialized in feedback systems, an online survey was conducted and analyzed. The evaluation of the results was followed by workshops and feedback discussion. The district also introduced an elaborate health management program. Special office equipment, a company (district) sports group with various offers (back training, yoga, a free fruit basket placed in our cafeteria etc.) and extensive information coverage in our intranet are also part of health management. For our trainees and junior staff, the district did intensify the personal care and support.

**In addition to the CAF self-assessment the district applied successfully for the quality label 'Best place to learn' in 2015.**<sup>50</sup> This shows that the district is training junior staff internally with respect to the special demands of trainees (e.g. weekly teaching afternoons with experts from the administration). The training-on-the-job was also strengthened. In-house training possibilities as well as external courses and training in several areas like communication skills, conflict management and IT know-how were part of an offer open for all employees. A management curriculum gives our leadership (2nd and 3rd level) the skills to full fill the internal 'Principles of leadership and cooperation'. With the help of a development guide customized training was offered.

**To improve the key processes of the HR department an external review by the KGSt, (the German regional office for public management) was undertaken.** The recruitment process was identified as the most important field of improvement. The process description was revised and the key partners were asked to address their needs. At the end of 2015 the district started a comprehensive online survey and asked the entire staff about their level of satisfaction with the HR department. The results gave some additional input for the optimization of internal processes. All actions were monitored within the 'management support unit' at the office of the director. The action plan was made accessible via the internet with an implementation status.

**The priorities for assessment and improvement were chosen in consultations of the CAF Self-Assessment Group with the political authorities - the elected members of the local parliament ('Bezirkstag').** A peer group consisted of the faction leaders and the president of the district assessed and discussed the criteria and sub-criteria. The result was an astonishing agreement between the assessments of employees and the political authorities. The political authorities were unaware of the employees' results. Finally at a two-day workshop with the extended leadership (around 40 people) the actions were prioritized using group-working techniques. Based on all these activities a Top 10 action plan was developed:

- Develop a culture of open communication
- Coordinate political and administrative goals
- Analyze the need for additional staff/recruitment
- Introduce knowledge management
- Revise internal guidelines for HR
- Communicate the need for change
- Evaluate our IT service
- Strengthen mutual trust
- Support the employees in achieving their goals

<sup>50</sup> <https://www.bestplacetolearn.de/verwaltung-des-bezirks-oberbayern-vorreiter-in-sachen-ausbildung/> (in German)

### ANNEX 3. THE NATIONAL QUALITY AWARDS OF THE CZECH REPUBLIC FOR LOCAL GOVERNMENTS<sup>51</sup>

**National quality prizes are awarded in more than 80 countries around the world according to identical criteria.** All parameters of the organization are evaluated, from the quality of management, through economic results, the relationship to customers, employees and the environment to the level of the final product. In Europe, organizations are evaluated on the basis of the EFQM Excellence Model and awarded organizations that have obtained more than 500 points can participate in an international competition. The National Award of the Czech Republic for Social Responsibility is awarded for the level of implementation of the concept and the maturity of social responsibility. This model was developed by the European Foundation for Quality Management (EFQM) and the United Nations Global Compact. The evaluation is fully compatible with the latest world standards and meets the needs of organizations, including local governments that are aware of the importance of introducing social responsibility as a basis and part of business in the 21st century in accordance with the principles of sustainable development.

**The Ministry of Industry and Trade and the Quality Council of the Czech Republic, with the support of the Czech Government regularly awards the National Quality Awards** of the Czech Republic, the National Award of the Czech Republic for Social Responsibility and other quality awards. Organizations of business and public sectors are awarded on the basis of how well they meet the needs of customers, clients and employees, their productivity and efficiency of work and results, and how they manage to create an innovative environment. For example, as part of the National Award of the Czech Republic for Social Responsibility in 2021 in the category of Municipalities – the city of Starý Plzenec<sup>52</sup> received the award “Socially Responsible Organization II,”<sup>53</sup> and in the category “Digital State” - the international certificate “Committed to Sustainability (2 stars)”. The evaluation uses the EFQM Committed to Sustainability model, which focuses on the evaluation of the sustainable development strategy in four areas: People, Planet, Profit, Products. This model is based on the EFQM Excellence Model, which was designed and put into practice by the European Foundation for Quality Management. In the category of Municipalities with expanded half-powers the District of Prague 13<sup>54</sup> and the District of Prague 18<sup>55</sup> were awarded.



Award to the town of Starý Plzenec “Socially responsible organization, II degrees”



International certificate to the town of Starý Plzenec “Committed to Sustainability (2 stars)”

<sup>51</sup> Ministry of Industry and Trade of the Czech Republic, <https://www.mpo.cz>

<sup>52</sup> <https://www.staryplzenec.cz>

<sup>53</sup> <https://www.staryplzenec.cz/aktualne/info/vyznamna-oceneni-mesta-stary-plzenec-1549cs.html?ftresult=Národní+ce+ny+České+republiky+>

<sup>54</sup> [www.praha13.cz](http://www.praha13.cz)

<sup>55</sup> <https://www.praha18.cz>



## ANNEX 4. THE MUNICIPAL BENCHMARKING NETWORK CANADA'S LOCAL GOVERNMENT PERFORMANCE BENCHMARKING MODEL<sup>56</sup>

**Municipal Benchmarking Network Canada is a partnership between Canadian municipalities who believe in the power of measurement to inspire continuous improvement in the delivery of services to our communities.** Partner municipalities identify and collect consistent and comparable data on their municipal service areas, report the findings annually and analyze those results to see how they measure up. But data is only the start. Partners use the network to discuss results and share their practices and strategies. It often starts with a question -Why did we get these results? How can we improve? What does your program look like? - and ends with collaboration on creative solutions to improve performance. Partners have used data to support Council decisions, set policy, inform reviews, evaluate programs, support budget recommendations, identify trends, and develop data dashboards. Some municipalities make their data accessible to everyone through open data policies and programs.

**MBNCanada's benchmarking framework includes four types of measures (measure classifications): community impact, service level, efficiency and customer service.** The first two evaluate "what is done" basically Council's decisions. The second two evaluate "how it is done" in essence, staff's delivery of the service. Community Impact group of indicators measures the benefit the program is having on the communities served in relation to the extended purpose of social outcomes expected. Service Level group of indicators captures the number of units of service provided or delivered at service level specified by Council. Efficiency group of indicators measures the ratio of the amount of resources used to the number of units of service provided/delivered. They are usually expressed in terms of cost per unit or volume of output per staff member (productivity). Customer Service group of indicators measures the quality of service and degree of customer satisfaction with the service received, relative to established service standards; as well as the customer's need and expectations.

**MBNCanada's applies benchmarking to the following service areas:** Accounts Payable; Building Permits & Inspections; By-law Enforcement; Child Care; Clerks; Culture; Emergency Medical Services; Emergency Shelters; Facilities; Fire and Rescue Services; Fleet; General Government, General Revenue; Human Resources; Information Technology; Investment Management; In-House Legal Operating Cost; Libraries; Licensing; Long Term Care; Parking; Parks; Payroll; Planning; Court Services; Police Services; Purchasing; Roads; Social Assistance; Social Housing; Sports & Recreation; Taxation; Transit; Waste Management; Wastewater; Water.<sup>57</sup>

<sup>56</sup> The Municipal Benchmarking Network Canada, <http://mbncanada.ca>

<sup>57</sup> MBNCanada, 2019. Performance Measurement Report. Municipal Benchmarking Network Canada, <http://mbncanada.ca/app/uploads/2021/03/2019-Performance-Report-full-mar-19-2021.pdf>

## ANNEX 5. THE NORWEGIAN LOCAL GOVERNMENT PERFORMANCE MEASUREMENT MODEL KOSTRA<sup>58</sup>

**KOSTRA, the Local Government Data Registration and Information Scheme (Municipality-State-Reporting), was launched in 2002** as a project of the Norwegian Ministry of local governments and regional development to monitor performance and testing the municipal compliance with the national standards. Since its launch the Ministry collected, processed, and analyzed statistical information from the local governments. Local governments' participation in this project is mandatory. Emphasis is placed on electronic transmission of data by municipalities to the central government. KOSTRA uses above 2200 indicators in the system (over 1400 for municipalities and about 800 for regions). 70 are considered "core indicators."

Currently it is a data registration and information system designed to help the central government keep track of resource use in the local government sector. It also serves to aid local governments with planning and budgeting.

**Each year, the local government sector submits finance and service production data in electronic form to Statistics Norway (the Norwegian Central Bureau of Statistics).** Statistics Norway combines this material with various other types of information, for instance demographics data, and generates various key indicators for prioritization of services, degree of coverage and productivity. These figures are publicly accessible in an internet-based environment, and can be used by county and municipal government administrations to compare their resource use with other administrations of a similar size and makeup. Comparisons of this type are useful to both central and local government authorities, since they may help identify potential service areas for which efficiency measures could be introduced in order to improve resource use. "Soft data" collected outside of KOSTRA (user satisfaction for various service, etc.) are being used in combination with data from the KOSTRA system. This allows policy makers and citizens to assess outcomes as well as outputs.

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<sup>58</sup> <https://www.ssb.no/en/offentlig-sektor/statistikker/kostrahoved>; According to the OECD, KOSTRA has been beneficial for the central government: performance monitoring and examining compliance with the national standards; and local government: easy information sharing, reputation effect, and dissemination of performance data. See OECD (2008). Promoting Performance: Using Indicators to Enhance the Effectiveness of Sub Central Spending. OECD Network on Fiscal Relations Across Levels of Government. Working Paper No. 5

## ANNEX 6. LOCAL GOVERNMENT PERFORMANCE REPORTING FRAMEWORKS IN AUSTRALIA<sup>59</sup>

**Performance measurement, including adopting the key performance indicators, is a compulsory requirement for local governments from the early 2000s in Australia.** The objectives are: accountability to community, reporting to state, and promoting continuous improvement amongst local governments. To provide a comprehensive picture of local government performance, a small set of meaningful, comparable indicators that people in the community understand and care about have been developed across three thematic areas: service performance, financial performance and sustainability. An objective for assessing performance against each thematic area has been established to inform the development of performance indicators.

**Generally these key indicators have three main groups (slightly differing in different states of Australia).** (1) Service performance: to provide relevant information about the effectiveness and efficiency of local government services. (2) Financial performance: to provide relevant information about the effectiveness of financial management in local government. (3) Sustainability: to provide relevant information about whether local governments have the capacity to deliver services, absorb changes and shocks and make decisions in the best interests of the community over the long term.

**The Local Government Performance Reporting Framework<sup>60</sup> is a key initiative in the Victoria state to improve the transparency and accountability of local government performance** to ratepayers and to provide a more meaningful set of information to the public. The framework is made up of 58 measures and a governance and management checklist of 24 items which together build a comprehensive picture of council performance. The Know Your Council website <https://knowyourcouncil.vic.gov.au> is about Victoria's 79 councils. It allows to: benchmark and compare similar local governments, view their detailed profiles and local government areas in Victoria, find out about how local government works in Victoria in the Guide to Councils. Know Your Council and the LGPRF have been developed by Local Government Victoria (LGV) within the Department of Environment, Land, Water and Planning (DELWP). Mandatory performance reporting became a requirement for local government from the 2014-15 local government annual budgeting and reporting cycle onwards. LGV has worked with Melbourne-based web developers, Ladoo to design and build the site.

<sup>59</sup> Brunet-Jailly E., Martin J.F. (2010). Local Government in a Global World Australia and Canada in Comparative Perspective. Toronto Buffalo, London University of Toronto Press cop.

<sup>60</sup> <https://www.audit.vic.gov.au/report/reporting-local-government-performance?section=>

## ANNEX 7. GROUPS OF SPECIFIC INDICATORS FOR GOVERNMENT BODIES' PERFORMANCE EVALUATION IN KAZAKHSTAN<sup>61</sup>

Blocks	Components	Indicators
(1) Achievement of Goals	(1.1.) Strategic Component	342 indicators for central government bodies, 801 indicators for local executive bodies
	(1.2.) Budget Component	The share of BP achieved by 100% The share of Budget Programs achieved partially Budget Programs' share of unachieved results Number of budget programs Disbursement of funds The average value of achieving the results of budget programs The average value of the efficiency of the execution of Budget Programs
(2) Interaction with Citizens	(2.1.) The quality of public services	Total number of public services rendered The total number of violations of the terms of rendering public services The level of satisfaction with the quality of public services Number of automated types of services The number of optimized types of services Unjustified refusals to provide public services Provision of public services with an incomplete package of documents Reclaiming unnecessary documents when providing Violation of business processes for the provision of public services Justified complaints about the quality of public services
	(2.2.) Openness of the state body	Open data set Number of publications on the portal "Open Budgets" Number of published projects of the legal/regulatory acts The level of compliance of Internet resources of state bodies with the established requirements Number of applications based on open data
	(2.3.) The quality of consideration of complaints and applications of individuals and legal entities	Total number of complaints and applications considered The total number of violations of the terms of consideration of complaints and applications The number of appeals satisfied by the court decision Number of requests satisfied by higher authorities The number of repeated substantiated complaints and statements Percentage of satisfied complaints and applications Percentage of clarified complaints and statements Number of substantiated complaints

<sup>61</sup> Center for Evaluation of the Effectiveness of the Government Bodies, <https://www.bagalau.kz>

Blocks	Components	Indicators
(3) Organizational Development	(3.1.) Personnel management	Net turnover of personnel % Promotion of employees within the state agency % Processing min. Satisfaction with the organization/working conditions % Compliance with meritocracy (survey) % Transparency of competitive procedures % Professional development % of the subjects
	(3.2.) Application of information technologies	Filling the architectural portal Automation of the functions of state bodies Integration of information systems of state bodies Relevance of information contained in information systems and databases Availability of unused information systems and databases The share of local content in the information systems of state bodies

## ANNEX 8. INTERVIEWS AND MEETINGS OF THE INTERNATIONAL CONSULTANT

### Interviews taken:

Mr. Nazarali Norbaev, Head of Department of the Research Institute of Legal Policy, Ministry of Justice of the Republic of Uzbekistan

Mr. Ilkhom Irgashev, Head of Budget Division, the Ministry of Finance of the Republic of Uzbekistan

Mrs. Shoxista Shonozova, Chairman of the Standing Committee on Socio-Cultural Development, Family, Women and Youth of the District Kengash of the Bakhmal of Jizzakh region

Mrs. Zamira Nishonova, Adviser to the Governor of Kosonsoy district of Namangan region

Mrs. Dilfuza Valiyeva, Head of the Secretariat of the District Kengash, Kosonsoy district of Namangan region

Mrs. Karimaxon Abosxonova, Director of School #8 of Kosonsoy district of Namangan region, deputy of District Kengash

Mr. Jaxongir Xujamov, Chief Specialist of the Secretariat of the District Kengash, Kosonsoy district of Namangan region

Mr. Baxodirjon Kaxarov, Deputy Khokim of Nurafshon of Toshkent region

Mr. Djura Axmedkulov - Head of the Secretariat of the Nurafshan City Council of People's Deputies

### Meetings with:

Mr. Ulugbek Mukhammadiev, Director of Public Service Agency under the Ministry of Justice of the Republic of Uzbekistan

Mr. Saidjon Qodirov, Head of Department of the Ministry of Economic Development and Poverty Reduction of the Republic of Uzbekistan

Mr. Fazliddin Nasriddiniv, Head of Department of the Ministry of Economic Development and Poverty Reduction of the Republic of Uzbekistan

Mr. Sirojiddin Akhadov, Deputy Head of Department of the Ministry of Economic Development and Poverty Reduction of the Republic of Uzbekistan

Mr. Fasilzhon Otakhonov, the Director of the Legislation and Parliamentary Research Institute under the Oliy Majlis of the Republic of Uzbekistan

Mr. Alimjan Akilov, Head of Department of the Legislation and Parliamentary Research Institute under the Oliy Majlis of the Republic of Uzbekistan

Mr. Hudoberganov Jasur, Head of International Relations Sector of the Legislation and Parliamentary Research Institute under the Oliy Majlis of the Republic of Uzbekistan



## ANNEX 9. GEORGIA. MUNICIPALITY'S OWN POWERS<sup>62</sup>

1. Own powers of a municipality defined in paragraph 2 of this article shall be complete and exclusive. The extent (scope) of a municipality's own powers and the procedure for exercising those powers under this Law shall be determined only based on a legislative act, except when this Law directly refers to the possibility to regulate the exercise of its own powers in accordance with the legislation of Georgia.

2. A municipality's own powers shall be:

a) drafting, discussion and approval the municipal budget, making amendments to the approved budget, hearing and evaluation of a budget report; disposal of budgetary funds, and performance of treasury financial operations and banking transactions according to the legislation of Georgia;

b) management and disposal of property owned by the municipality in accordance with this Law and other legislative and subordinate acts of Georgia;

c) management of local natural resources, including water and forest resources, and land resources owned by the municipality, in accordance with the law;

d) imposition and abolition of local taxes and fees in accordance with the law, determination of their rates within the marginal limits stipulated by law; collection of local fees;

e) preparation and approval of spatial planning schemes, master plans and development plans/detailed development plans of a municipality under the procedure established by the legislation of Georgia;

f) improvement of the municipal territory and development of the appropriate engineering infrastructure; cleaning of streets, parks, public gardens and other public areas in the territory of the municipality, landscaping, and provision of external lighting;

g) municipal waste management;

h) water supply (including technical water supply) and provision of a sewerage system; development of the local melioration system;

i) establishment of early learning, and preschool and educational institutions under the control of a municipality, and ensuring of their operation under the procedure established by the legislation of Georgia;

i-1) establishment of extramural educational institutions under the control of a municipality, and ensuring of their operation;

i-2) ensuring of the authorisation of early learning, and preschool and educational institutions located in the territory of a municipality under the procedure established by the legislation of Georgia;

j) management of local motor ways and regulation of traffic on local roads; provision of parking lots for vehicles and regulation of parking/stopping rules;

k) issuance of permits for regular carriage of passengers within the municipality's administrative boundaries; organisation of municipal transport services for the population;

l) regulation of street trades, exhibitions, markets and fairs;

m) issuance of a construction permit, carrying out of public supervision of the construction, granting of the status of plot of land and/or building or structure inappropriate for construction development purposes to a plot of land, establishment of the necessary road and easement on a plot of land, implementation of urban construction measures, and foundation of legal persons for this purpose

<sup>62</sup> Article 16 of the Organic Law of Georgia Local Self-Government Code, <https://www.matsne.gov.ge/en/document/view/2244429?impose=translateEn>

in the territory of a municipality under the procedure and within the scope determined by the legislative acts of Georgia; in accordance with the law;

o) giving names, in accordance with the law, to the geographical features located within the municipality's administrative boundaries, in particular: historically formed districts, the self-governing city's administrative unit, certain areas, micro districts, springs, squares, avenues, highways, streets, lanes, dead ends, drives, embankments, esplanades, boulevards, alleys, public gardens, gardens, parks, forest parks, local forests, cemeteries, pantheons, structures, transport facilities;

p) regulation of the placement of external advertising;

q) determination of the rules for keeping pets, and solution of the issues relating to stray animals;

r) arrangement and maintenance of cemeteries;

s) protection and development of local originality, creative activities and cultural heritage; maintenance, reconstruction and rehabilitation of local cultural monuments; ensuring the functioning of libraries, club-type institutions, cinemas, museums, theatres, exhibition halls and sports and recreation facilities, and the construction of new facilities;

t) development of appropriate infrastructure in local facilities for disabled persons, children and the elderly, including, proper adaptation and equipment of public areas and of municipal transport;

u) provision of a shelter for and registration of the homeless;

v) exercise of powers under the Law of Georgia on Public and Private Cooperation, within its competence;

w) exercise of preventive and appropriate response measures under the Code of Rights for Children for the purpose of protecting a child in a public space, observing the rules for the transportation of a group of children for participation in a public event, and fulfilling the obligations by a person carrying out surveillance of a child (an event organizer), permitting a child to communicate with printed media, to attend a public screening and to enter a mass entertainment dancing center (a night club), and observing the legal restrictions for the accessibility of a film recorded for children, and observing the rules for the prohibition of free and paid supply of alcoholic, narcotic, psychotropic, toxic and other means of intoxication, of products and capsules containing an alcoholic drink, tobacco or nicotine to a child.

3. A municipality may, on its own initiative, solve any issue that, under the legislation of Georgia, does not fall within the powers of any other public authority and that is not prohibited by law.

4. A municipality may carry out activities under the procedure defined in paragraph 3 of this article for facilitation of employment, supporting of agriculture (including agricultural cooperation), and development of tourism, social assistance, and in coordination with a state policy implementing body – for the purpose of healthcare, also for promotion of the development of the youth policy at a local level, protection and support of a child, promotion of mass sports, for environmental protection, public education, promotion of gender equality, prevention of violence against women and/or domestic violence, protection and support of victims of violence against women and/or domestic violence, maintenance of the archives of local importance, for cultivation of a healthy life style, creation of safe environment for human health, attraction of investments to a municipality's territory, for supporting innovative development, and other purposes.

