



**PUBLIC MANAGEMENT SERVICE  
PUBLIC MANAGEMENT COMMITTEE**

**Administrative Simplification – Best Practices in OECD Countries**

**Expert Seminar**

**OECD Headquarters, Paris, 18-19 October 2001**

***“Best Practices in Hungary”***

**Submitted by the Hungarian Government**

**PRIME MINISTER'S OFFICE**

Under-secretariat for public administration and regional policy

**ADMINISTRATIVE SIMPLIFICATION – BEST PRACTICES IN OECD  
COUNTRIES**

**EXPERT SEMINAR**

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The reform of Hungarian public administration, the accession of Hungary to the European Union and the process of preparation for accession requires public administration to improve the preparation and co-ordination of decisions and increase efficiency in the implementation of decisions. Just as public administration itself can operate only through the harmonisation of the efforts of the various institutions, the efficiency of IT support also depends to a considerable degree on the co-ordination of information technology and communication systems.

**Historical background**

In order to assure co-ordinated and targeted development, the government set up the *Interministerial Committee for Information Technology* (ICIT) and the corresponding working unit within the Prime Minister's Office as early as in 1991. At the same time, the government also set the objective of co-ordination of government IT and the improvement of its infrastructure taking into consideration the traditions and experiences of Hungarian public administration and the existing level of development of information technology. The ICIT adopted a medium term programme for the development of government information technology, and eventually, upon its initiative, the government approved a resolution on the co-ordination of the IT development efforts of central public administration bodies. The resolution required ministries and agencies with national competence to regularly prepare and update IT development plans in line with the established practices of the European Union.

In 1999 the Government passed a resolution on the further development of the co-ordination of information technology in public administration. The resolution provides that ministries and public administration bodies with national competence and under the direct control of the Government an IT manager directly reporting to the senior public administration official must be entrusted with the co-ordination of public administration information technology within the sector concerned, the elaboration of a joint IT strategy of the bodies and institutions controlled or supervised, the annual breakdown of that strategy and the supervision of its implementation. This mirrors in Hungarian public administration the management model established in developed countries whereby the top team of an organisation should include, in addition to the senior officials responsible for general operations, the *Chief Information Officer* responsible for information processes. The resolution specifically requires that, when planning the implementation of public administration tasks, the funds necessary for the establishment and operation of the IT background must also be provided.

The ICIT declared that the central targeted appropriation for government IT must be used in such a manner as to assure the access to data and IT services in a wide range of the government, the co-operation of isolated information systems, the dissemination of state-of-the-art technologies and of IT solutions that can be implemented in other government bodies as well (e.g. electronic document handling), as well as the improvement of information provision and services to citizens.

### **Government Resolution No. 1052/1999 (V.21.) Korm.**

In its resolution No. 1052/1999 (V.21.) Korm., the Government approved the terms of reference for the development of public administration in 1999-2000. Concerning the *implementation of efficient public administration*, the Government set the objective of the establishment of an integration public administration IT system, which should assure the information services responding to the needs of clients and required in a new, service provider public administration.

### **The establishment of the Government Commissioner's Office within the organisation of the PMO**

In addition to the necessity of better co-ordination of activities and having recognised the intensifying convergence of telecommunication and information technology, the government decided in early 2000 that the responsibilities related to communication and the regulation of telecommunication should be moved to the Prime Minister's Office. To this end, the Government appointed a *Government Commissioner for Information Technology and Telecommunication*, reporting directly to the Minister in charge of the PMO.

#### The responsibilities of the Government Commissioner include:

- the *design of a uniform government strategy* for information society and the control of tasks arising from such strategy;
- the *creation of the legal and regulatory background* for the wide spread application of information technology in compliance with European Union requirements and OECD recommendations;
- assuring *equal opportunities* for citizens to benefit from the achievements of information society;
- the *development of government information technology*;
- the *definition of a clear system of rules* for the increased participation of the economy and civil society as well as the definition of the tasks eligible for outsourcing and the promotion of electronic commerce;
- the *monitoring of the process* of evolution of the information society, initiating the necessary interventions;
- the *representation of the interests of Hungary* at the international level on issues related to the information society.

In the discharge of his duties, the Government Commissioner relies on the Government Commissioner's Office set up within the Prime Minister's Office, consisting of **three divisions**: *information society, regulatory policy and electronic government*.

**Government Resolution No. 1057/2001 (VI.21.)  
on the Government's Terms of Reference for the Development of Public  
Administration in the Years 2001-2002**

II/15. Concerning the development of information technology:

a) A comprehensive information technology development programme for the system of public administration should be drawn up. Within this framework, special attention should be paid to the early introduction of **electronic government** and to spatial aspects of information.

*Responsible:* Government Commissioner for Information Technology

*Deadline:* December 31, 2001

b) Within the framework of the information technology development programme, an exact schedule should be elaborated for the establishment of the **data-wealth records of public administration**, which was ordered in Government Resolution No. 1113/2000. (XII. 27.) Korm.

*Responsible:* Government Commissioner for Information Technology

*Deadline:* December 31, 2001

c) Methodological assistance should be provided in order to increase the role of information technology within the system of public administration: introduction and development of electronic group work, the establishment of "**paper-free**" offices, electronic task management, management of separate data, electronic scheduling, deadline reminders, increased knowledge of information technology among clerks.

*Responsible:* Government Commissioner for Information Technology

*Deadline:* on-going

d) The implementation of the documentation project begun by the Prime Minister's Office in 1999 should be continued. Based on the newly developed **Government Documentation System, uniform standards** of documentation should be elaborated.

*Responsible:* Government Commissioner for Information Technology

*Deadline:* for project completion: September 30, 2001

for the elaboration of standards: March 31, 2002

e) An examination should be made concerning which information technology and data protection systems are available within the whole of the national budget, and how these may be used to gain access to data and to establish an extensive data base, a base forming the basis of, and necessary for, **cost-benefit analysis**; and the first steps towards the elaboration of a data base should be taken.

*Responsible:* Government Commissioner for Information Technology

*Deadline:* on-going

II/16. An examination should be made of the possibility of establishing **computer records and checking systems between the organisations of public administration, and of the possibility of establishing a uniform national system for the distribution of grants and assistance**, with a view to strengthening controls on the use of European Union financial resources.

*Responsible:* for the technical establishment of grant records and control systems: Government Commissioner for Information Technology  
for the tasks concerning the content and operation of the system:

Minister of Finance

*Deadline:* December 31, 2001

### ***Electronic Government Programme***

On 10 July the Minister in charge of the PMO, István Stumpf, announced the *Electronic Government Programme*, which constitutes an integral part of the *National Strategy for Information Society* (NSIS). The document drawn up by the Government Commissioner's Office for Information Technology in the PMO sets two key objectives:

- the achievement of **citizen friendly administration** and
- the **improvement of the internal operating efficiency of public administration** through the uniform application of the internet and electronic solutions.

The two objectives are closely related, while success depends on the degree the internal systems of public administration are co-ordinated, the extent of efficiency increase in the operation of supporting systems and the nature of user interfaces and the expertise of officials.

The Electronic Government Programme is the first document **backed by an organisation set up specifically for this purpose**, complete with the necessary resources and instruments. For the implementation of the programme the Government allocated 4.7 billion HUF in 2001 and 7.1 billion in 2002. The primary objective of the programme is to standardise sectoral and institutional IT development efforts in the interest of the service of citizens.

In the absence of uniform central guidance, ministries, local municipalities and offices have developed their IT systems primarily to satisfy their own needs. As a result, **despite considerable achievements** in certain areas, **isolated systems** have emerged (different document handling and mailing software, separate, costly, insecure, inefficient sectoral networks, impermeable registers unable to be connected to one another).

Some high quality information systems exist even today, but they serve almost exclusively individual sectors, and are not utilised on the level of the government as a whole. It is the job of the Government Commissioner's Office for Information Technology to transcend the level of individual institutions or sectors and to

implement a uniform programme to increase the service providing capabilities of the state and to respond to the needs of citizens. (Accordingly, in 2001-2002 the Government Commissioner's Office co-ordinates 35 different programmes to be implemented in 17 public administration agencies). (See *Attachment*)

### **Conditions of the successful implementation of the programme**

In order to achieve the above objectives,

- the requisite **legal conditions** (outcomes: Act on Communication, Act on the electronic signature) and **infrastructure** (on-going implementation) need to be created,
- the security of governmental IT systems must be enhanced,
- the **skills necessary** for the use of electronic government applications and tools in the **civil service** must be assured,

(Public administration employees must be prepared not only for the use of the systems; they must also master the ways in which they can utilise the technologies available to them for systematising their knowledge and acquiring new information through the internet, for instance. To this end the position of computer literacy in the civil service must be surveyed, and a long term, comprehensive training and education policy must be elaborated. Civil servants must be able as well as willing to exploit the achievements of information technology.)

- the **general public must be prepared** for the new possibilities of administration and the use of new technologies.

The prevention of a digital chasm between the various groups and strata of society and the reduction of existing differences merit special attention.

- The objective of the electronic government of the future is to achieve paper free administration (meaning that the work of the government and public administration is organised by digital systems, ministries, offices and municipalities and their databases communicate with one another in a regulated and controlled manner and every public administration agency gets shared data from the same data source).

Digital data registers (e.g. company registers, population register, real estate register, digital state basic maps) contain data affecting economic flows. Important information promotes the budgeting and control of general government (economic-statistical data), and they can provide public information in a manner resembling the operation of public utilities (e.g. state projects, public procurement, financial information, funds, information arising in international relations also relevant for business purposes etc.). The proposed "smart passports" will allow anyone to access government systems from the home, from work or public access points, and a single passport will replace half a dozen personal documents with different functions.

- The **increased service capability of the Hungarian public administration** will be decisive for improving the general competitive position of the country as well. (The approaching EU accession of Hungary will necessitate the existence and interconnectivity of information systems by the time of the accession.)

– **Data management:**

the data property of the state must be surveyed, then continuously updated,

- the central registers must be capable of providing services to information systems of other sectors,
- any parallel collection and registration of data must be eliminated,
- a plan for the rationalisation of basic state registers must be devised,
- to the extent necessary, the Data Protection Act must be amended and the relevant implementation regulation must be drafted.

In the not too distant future case administration may become more efficient, effective and more convenient for citizens beyond comparison. At the same time, the regulatory functions of public administration will be retained.

### **Achievements**

Our central public administration is fully covered by computer systems, with a network access rate of almost 70%, and the majority of ministries having their own home pages. Large basic databases such as the population register, the electronic legal and company data registers are improving gradually. The implementation of the cadaster programme is under way, and a number of digital maps are already in use. Electronic data exchange has started with some large economic actors; electronic data collection about economic organisations has also started, and the first pilot “one-stop-shop” projects have been launched (e.g. company registration, registration of sole proprietors). The adoption of the Act on the digital signature necessary for the forwarding of electronic documents is another major achievement.

Each ministry generates some 20-50 thousand documents a year, which on average take 3-5 days to get from the sender to the recipient. In electronic form these documents take only a few seconds to get to their destination.

The Government Commissioner’s Office for Information Technology within the PMO encourages public administration units to launch electronic services with tendering opportunities. Through the tenders the Office provides technical and financial support to offices that intend to embark on sound IT development projects to accelerate case handling and increase convenience.

#### Programmes:

- The fast and accurate handling of documents, protection against the loss of information and assuring authenticity are key factors in efficient public administration. The project targeting the implementation of a *government file registration IT system (KIR)* includes file registration, document handling and work flow tracking. As the modelling of administrative work flows and the introduction of standardised work flows will become possible, the efficiency of public administration work and the performance of civil servants can be measured based on real data. Thus processes can be optimised based on experiences, which may be the best tool for increasing efficiency. The modelling of work flows will bring the introduction of quality assurance within public administration agencies to realistic proximity. The gradual introduction of the system commenced in January 2000.

- Of public administration data, spatial information data and digital maps are especially expensive; these are used in a number of areas from land administration through water management and environmental protection to national defence. However, frequently those who need such information are unaware of the existence of such data, therefore they fail to make use of them or, in an equally unfortunate scenario, generate the required data once again. The creation of a modern *spatial information data property cadaster available to anyone via the world wide web with a simple browser* attempts to avoid such situations. The programme called METATÉR ('METASPACE') is based on international standards and it is multi-language, thus it can be linked to other international data cadasters operating on similar principles. Closely integrated to this system is a so-called glossary of terms, which helps experts entering or searching for catalogue data to use uniform terminology. The METATÉR has operated as a pilot project since mid-1999 and contains some 5000 items already. Any data owner can join the service system because the Office makes available the necessary software free of charge.
- Relying on the experience gained with the METATÉR, the Office has created a general purpose *public administration data property cadaster* also including data other than spatial information; this is called **KIKERES**. It is capable of integrating a number of specialised data property cadasters. Upon the launching of KIKERES, five public administration agencies of different characters will provide data through the pilot system.
- In 1998 so-called *one-stop-shop IT systems* were created for the registration of sole proprietors and economic associations. Experience shows that these arrangements facilitate the provision of services to institutions and to citizens in a very short timeframe, saving mail costs and the time of citizens as well as eliminating any possibility to manipulate data.
- The government has decided to devise a concept for an electronic public procurement system and the tasks related to its implementation. The electronic public procurement system will be implemented gradually during the year 2001. According to the concept, the electronic public procurement system must be based on the fundamental principles of public procurement proceedings: transparency, the fairness of competition, equal opportunities to all suppliers and national treatment of entities registered abroad. Documents must be publicised and forwarded in an electronic format in such a manner that participants in the system acknowledge the authenticity of the documents forwarded and the operator guarantees the required security of the system. Contracting and payments must also be conducted electronically. Only suppliers satisfying the required eligibility criteria may become part of the system; they will be entered in the register of suppliers. The IT system of electronic public procurement must be designed so that it can be enhanced later to facilitate the publication of advertisements related to public procurements, while in the case of IT services and products it should in future allow for simplified procedures; in these proceedings electronic documents and digital signatures should be usable.

- In the long term the improved competitive position of the Hungarian economy is impossible without the wide spread use of electronic business relations. The development of electronic business demands the assurance of authenticity and inviolability if open network communication technologies are used. This means that the exchange of messages between partners separated in time and space must be reliable, and the enforceability of electronically made bids, legal representations, contracts and other human acts capable of giving rise to legal consequences must be assured. (Act approved)
  
- Services provided to citizens through **uniform government portals** are considered as fundamental tools of electronic government all over the world. In Hungary Internet home pages merely providing access to information have been operated by the central government and its institutions for a long time now (Its launch is expected to be announced in November 2001).

Budapest, 15 October 2001