



## Coordination practice

### DEVELOPMENT OF THE ESTONIAN TOP CIVIL SERVICE

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*Until 2004, the development of Estonian top civil servants was addressed in a highly decentralised way by individual public-sector organisations following the decentralised setup of the Estonian public administration. Based on the top civil servants' competency model adopted in 2005, a variety of development activities have been launched for the 80-90 top civil servants, for example specifically designed training and development programmes, individual coaching and mentoring as well as the development programme for future leaders. A joint development programme for top civil servants aims to increase cohesion in the top civil service and advance cooperation between public-sector organisations as well as to contribute to the development of common values and administrative culture that would ideally spill over the entire civil service in the long run. The coordination practice at hand addresses structural, legal, financial and administrative issues related to the establishment and sustainability of this initiative.*



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## **Preface**

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The COCOPS project (Coordinating for Cohesion in the Public Sector of the Future) seeks to comparatively and quantitatively assess the impact of New Public Management style reforms in European countries, drawing on a team of European public administration scholars from 11 universities in 10 countries.

The specific objectives of Work Package 5 are:

- To search and identify emerging coordination practices and related steering instruments in public management in European public sectors.
- To compile a case study catalogue of such coordination practices with direct utility to public managers and the research community.
- To analyse the functioning of such coordination practices and to assess their value in countering public sector fragmentation and delivering public value.

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## 1. THE COORDINATION LANDSCAPE

### Main country characteristics: ESTONIA

General political-administrative structure

Estonia is a small parliamentary democracy with a land area of 45,227 km<sup>2</sup> and a population of 1.29 million. Estonia regained independence in August 1991. Since 1991, both majority and minority governments have been in power, typically with 2-4 political parties in the governing coalition. The dominating worldview of the coalitions has been neo-liberal as the two main parties carrying the worldview – Pro Patria Union and the Reform Party – have been firmly institutionalised in the political landscape and with a long record in power. The latter has been holding the position of Prime Minister since 2005 and has persisted in government since 1999 (12 years in a row). The formal head of state, the President, has a mainly representative and a ceremonial role. 226 municipalities are responsible for providing public services related to primary and secondary education, social care, spatial planning, local transport etc. 15 county governments function as regional units of the central government.

The executive power of the state is in the hands of the government. A central trait of the Estonian administrative system is its reliance on ministerial responsibility. Although the eleven ministries are small, they represent strong administrative actors that have considerable leverage over the issues belonging to their areas of governance. The role of the ministries is mostly confined to policy formulation while the implementation of the policies is carried out by various agencies under their supervision. In accordance with the ministerial responsibility, all public organisations are more or less directly subordinated or linked to specific ministries. Due to the constraints on resources (money, people, expertise), the ministries' capacity to supervise and steer their subordinate agencies' daily functioning is limited. The general framework of vertical coordination relies strongly on ex-ante control mechanisms. Regardless of the investments made into developing the strategic planning, ex-post control tools are often used as an ad-hoc reaction to specific problems. Due to the complexity of the issues handled by the agencies and their frequent monopoly of expert knowledge the influence of agencies on policy-making can be very high. With a hope to foster the vertical coordination through integration and hierarchy, the administrative developments of the last few years have been dominated by mergers of institutions, measures of standardisation, optimisation and centralisation.

Since regaining independence, the Estonian state has gone through major economic and administrative reforms. The radical shift of political regime from communism to democracy necessitated changes in the institutional structure of the state. Among other things, it meant reforming the mechanisms of cooperation and coordination in a situation where the

	<p>communist party as a central coordinating power disappeared. Furthermore, Estonia inherited an institutionally fragmented administrative system with a high number of relatively autonomous individual organisations. Consequently, the general trend of reforms over the two decades has been towards aggregating the system and establishing mechanisms for steering, control and cooperation. A weak civil society and a minor role for the trade unions has allowed governments to push through considerable changes quickly and with little consultation.</p> <p>The accession to the EU has also been a crucial factor of administrative development. On the one hand, the administrative capacity requirements of the EU had a considerable influence on the development of administrative procedures and structures. On the other, after gaining the membership in 2004, Estonia has aimed to make maximum use of the EU structural funds, among other things, using the EU financial support for developing its public administration and training of civil servants.</p> <p>In recent years, the global economic crisis has induced government to look for further sources of economy and efficiency within the public administration. All of the reforms have taken place in the context of the very small size of Estonia that has also had a significant impact on the development of its state and public administration. This has been reflected in the constant search for the efficient use of resources, multi-functionality of organisations and positions, a big role for individuals as well as a reliance on informal communication and cooperation.</p>
<p>Coordination discourse</p>	<p>In terms of horizontal coordination, Estonia operates a segmented administrative system where the responsibility for public policies and programmes lies with individual ministries. Such an arrangement is also supported by budgetary and strategic planning frameworks. The central coordinating units in the system such as the Government Office and the Ministry of Finance are equipped with restricted coordinating powers and, in addition, often constrained by limited resources. However, the Government Office that mostly had the identity of a technical support unit to the Cabinet until lately has strengthened its coordinating function. It hosts the units for EU coordination, strategic planning and development of civil-service top executives. The Ministry of Finance with its responsibility for the budgetary process has the strongest coordinating power in the system.</p> <p>Horizontal coordination mechanisms that have been built into the system (e.g. consultation of draft regulations, management of EU affairs) are mostly based on network-type cooperation and in that way reinforce the central role of ministries in deciding over the policies falling to their areas of governance. High expectations have been related to using ICT solutions in fostering the exchange of information and positions between the institutions and to e-government in general. Nevertheless, even in cases where the policy proposals demand an official opinion of the ministries,</p>

	<p>they often take a formal approach and provide detailed positions only on issues directly concerning the issues in their areas of governance. The initiatives of creating more unity within the system have met with institutional resistance and have moved on slowly.</p> <p>Problems due to the segmented system of public administration have become more and more evident. Consequently, there is a call for better horizontal integration of policy sectors and for a whole-of-government approach. As has been recently pointed out by OECD, the Estonian administrative system's ability to work in a "joined-up fashion" has shined more in times of crisis or when a more immediate policy response has been needed than in "business-as-usual" activities. The cooperation on these occasions has relied heavily on personal contacts and informal networks. As a follow-up to the OECD report, the government adopted an action plan for implementing its recommendations. Among other things, it foresaw a continuation with the centralisation of the support services within public administration (mostly accounting and personnel records), strengthening the cooperation of secretaries generals and vice-secretaries generals, supporting rotation within public service as well as reviewing the strategic aims of the government organisations.</p>
Policy area	<p>The organisation of the central government is regulated by the Government of the Republic Act (GRA) adopted in 1995. The highest coordinating power belongs to the political executive – the government. In 2012, there were 13 members in the Cabinet formed by a right-wing two-party coalition. In addition to the Prime Minister, there were 11 ministers heading the specific ministries (Education and Research, Justice, Defence, Environment, Culture, Economic Affairs and Communications, Agriculture, Finance, Internal Affairs, Social Affairs, Foreign Affairs) and the Minister of Regional Affairs, who was located as a second minister in the Ministry of Internal Affairs.</p> <p>The sectoral policies are devised and their implementation supervised by individual ministries. The ministries are the superior bodies ranking above executive agencies, inspectorates and other state agencies. Agencies employ the vast majority of the public-sector employees and spend most of the state budget. Four types of agencies can be identified – government organisations, state agencies, public institutions and private law bodies. <i>Government organisations</i> perform state supervision and apply the state's power of enforcement. Ministries with their subordinate government organisations form a well-defined core of public administration in Estonia, which is critical from the perspective of policy-making and implementation. <i>State agencies</i> are financed from the state budget, but their main function is not to exercise public authority. These agencies are basically policy-implementation organisations that serve government institutions in the fields of culture, education, research and others. <i>Public institutions</i> are more or less autonomous public organisations created by law to serve special public interests (e.g. public universities). Finally, the state can also</p>

	<p>establish or have shares in three types of <i>private law bodies</i>: enterprises, not-for-profit associations and foundations.</p> <p>The Estonian public service involves both the civil service (central government) and the local-government service. Only the core of the public administration (ministries, government organisations and county governments) is covered by the open, position-based civil-service system established in 1995. In the rest of the agencies, people work under the general labour law. However, in June 2012, the new Public Service Act was passed in the parliament that restricts the 1995 institutionally based definition of the civil service even more and re-orientates the system towards differentiating officials who are engaged in executing the public power and employees who do not have such a function. The goal has been to reduce the number of civil servants. In other respects, the reform endorses further the open and segmented nature of the Estonian public administration and aims to abolish the perceived “disparities” that there are between the civil service and private-sector employment (e.g. in redundancy benefits). The implementation of the law is expected in 2013.</p>
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<b>2. COORDINATION PRACTICE: Development of top civil servants in Estonia</b>	
<b>2.1. Substance</b>	
Country	Estonia
Area	Central government
Main characteristics of the practice	<p>A joint development scheme for top civil servants aims to increase cohesion in the top civil service and advance cooperation between public-sector organisations as well as to contribute to the development of common values and administrative culture that would ideally spill over to the entire civil service in the long run.</p> <p>The organisation of the Estonian civil service follows the decentralised setup of public administration. Every ministry and executive agency is responsible for the recruitment, training, performance appraisal and pay of its officials. The planning and implementation of civil-service training activities is the responsibility of individual organisations and is highly dependent on the private-sector training market because there is no functioning central civil-service training institution. Although in 2010 the Ministry of Finance was designated as the responsible institution for civil-service policy, its coordination activities have been limited to technical functions in most cases without strategic involvement in policy design. Currently, there is neither horizontal civil-service strategy nor top-down clear and targeted steering of the development of the civil service. No</p>

single institution at the central government level has the power and necessary resources to develop and implement the central government-wide civil-service policy.

According to the Public Service Act (in effect since 1996), the main centralised tool in the civil-service management involves the assessment of candidates for the top civil-service positions by the centrally formed Competition and Evaluation Committee of Higher State Public Servants at the Government Office. The Committee screens candidates and suggests the shortlisted applicants for the final selection to the relevant minister or to the secretary general. Therefore, the final selection of top civil servants is left to individual institutions. This scheme does not cover the secretary generals of the ministries, who are appointed by the Cabinet.

Until 2004, the development of top civil servants was addressed in a highly decentralised way by individual public-sector organisations. However, at the end of 2003 the Government Office, led by the apolitical secretary of state, started to work on the development of top civil-service competencies leading to the adoption of a top civil-service competency model by 2005. Based on the competency model, a variety of development activities have been launched for the target group (e.g. specially designed training and development programmes, individual coaching and mentoring, development of future leaders). Since 2005, the top civil servants' competency model has been used as the basis for the assessment of top civil servants both in the selection and development processes. The aim of these activities has been declared as supporting the development of competent top civil-service executives who contribute to achieving the strategic goals of the state (in the earlier years) and who are critical in fostering the whole-of-government approach (since 2012).

Until 2012, the Estonian legislation did not provide a definition for a "top civil service" since top civil servants were not systematically distinguished from the rest of the civil service. An initial target group (in 2005) involved secretary generals and deputy secretary generals of the ministries, director generals of the executive agencies (boards and inspectorates) and county governors – altogether approximately 100 top civil servants. In 2007, the county governors were excluded from the target group as a consequence of limiting their status. Consequently, the target group has fluctuated between 80 and 90 since 2007. The Estonian Parliament *Riigikogu* passed the new Public Service Act in June 2012, which formed a legal basis for "top civil servants" by clearly distinguishing top civil servants from the rest of the civil service as far as their recruitment, selection, assessment and development is concerned. According to the new Act, the target group for top civil-service development will remain the same as practiced since 2007.

<p>Background and initiation of the practice</p>	<p>The development of specific tools targeted to top civil servants should be analysed in the context of broader civil-service reforms and (previously failed) reform plans. In May 2004, the Cabinet adopted the Public Service Development Concept as a main background document for the preparation of a new Public Service Act. The draft of the new Public Service Act was prepared, but it was eventually not adopted due to political disagreements. Nevertheless, some parts of the Public Service Development Concept that addressed the role of the top civil service laid the ground for the further development of tools targeted to top civil servants.</p> <p>The secretary of state, together with a few senior civil servants at the Government Office, started elaborating the idea of a top civil service in 2003. Consequently, the development of a top civil service was driven by non-political actors. As civil service was not of particular interest to the sitting government, the preparatory work was carried out without political input and publicity. A project team was formed, and it was led by an external management consultant. The project team included 15 members selected from the target group. The team elaborated the first version of the top civil servants' competency model in 2005. Later, the leaders of the Government Office have admitted that the motivated project team and its substantial role in the development process was an important factor for building the ownership of the target group eventually contributing to the successful implementation of the competency model.</p> <p>The government which entered into office in 2007 re-launched the preparation of civil-service reform. The new draft of the Public Service Act also included a more elaborate regulation of the top civil service. Once again, the bill was not adopted due to political disagreements. However, the need for the top civil-service development had been clearly recognised by that time. Moreover, during the preparation of the EU programming period for 2007-2013, a special programme was planned for the top civil-service development under the priority area "Increasing administrative capacity". By that decision, the plans were guaranteed funding. Preparatory work had already been completed – the competency model and the appraisal system had been developed, and necessary support staff at the Government Office was in place. In 2008, a special programme document (related to EU funding), "Development of the Top Civil Service", was signed by the secretary of state. The programme document set goals and targets for top civil-service development, and it has been renewed every two years.</p>
<p>Time frame</p>	<p>The systematic work with the development of the top civil service started in 2003 with the elaboration of the competency model by 2005. Specific activities based on the competency model started already in 2005 (assessments of top civil servants, training and development activities). In 2008, generous funding for these activities was allocated from the EU structural funds, and the first bi-annual programme was adopted for 2008-2009. After its implementation, the next biannual programme documents</p>

	<p>for 2010-2011 and for 2012-2013 were developed. The adoption of the new Public Service Act in 2012 finished the previous legal vacuum where the development of top civil servants was not based on solid legal ground. The existing plans have been implemented.</p>
<p><b>2.2. Structure and actors</b></p>	
<p>Basic features</p>	<p>There is a dual system in the coordination of the civil service in Estonia since 2010 – the development of top civil servants is administered by the Government Office, whereas the other coordination activities for the rest of the public service are steered by the Ministry of Finance. Until 2010, the Government Office was also responsible for supporting the development of the rest of the civil service. The current system poses a challenge for guaranteeing the integration and coherence of the two coordinating actors. This challenge is associated with sharing the responsibility for civil-service development, where the general policy-making responsibility lies with the Ministry of Finance, but one part of that policy – top civil-service development – has been assigned to the Government Office.</p> <p>In 2010, a separate unit with direct subordination to the secretary of state was established at the Government Office – the Top Civil Service Excellence Centre (TCSEC). The formal goals for setting up such an independent unit were not explicitly formulated in any governmental document but the underlying arguments for the establishment of the TCSEC at the Government Office were the following: 1) the need to have close proximity to the strategic policy-making level – the secretary of state, the Strategy Bureau and the EU Secretariat (all located at the Government Office), and 2) a neutral and central position vis-à-vis all the ministries. These aspects were considered important in order to enhance cohesion between top civil servants and ultimately improve coordination between their respective institutions. The following tasks were foreseen for the TCSEC:</p> <ol style="list-style-type: none"> <li>1) To provide support for the selection of top civil servants (development of recruitment and selection systems and providing assistance to the selection committee);</li> <li>2) To organise the development of top civil servants (advising top civil servants in their development, offering and organising relevant development activities, assessment of competencies, development of relevant e-tools);</li> <li>3) To cooperate with relevant institutions and networks on the international level.</li> </ol> <p>From 2004 until 2012, the activities directed towards the development of top civil servants were not regulated by any law, with the main formal basis being a programme document related to the use of the EU structural funds signed by the secretary of state. Consequently, the TCSEC has had no legal mechanisms for the development of top civil servants (such as compulsory</p>

	<p>participation in the assessment of competencies or in development activities). Although this coordination practice involves little formalism, in its essence it has been a coordination initiative from the top. The existing setup has not allowed using hierarchy-based coordination modes, but the personal commitment of the secretary of state and the team of the TCSEC have played a crucial role in making this coordination practice happen. The TCSEC has focused on a rather informal working style based on a network approach by trying to make the development activities attractive to top civil servants. The participation in the offered development activities has been voluntary: from 2005 to 2011 the participation rate in different development activities varied from 56% to 65% of the target group.</p> <p>The lack of a proper legal basis has been partly compensated by the prominent role of the top civil service development in the use of the EU structural funds. Comparing the resources of the TCSEC with the Ministry of Finance's resources for central activities for the rest of the civil service, the top executives have clearly been the priority. For instance, in 2010-2011, the TCSEC had ca. 1.07 million Euros and a staff of 3 for developing 88 top civil servants whereas the Ministry of Finance could spend ca. 0.65 million Euros and had a staff of 4 for organising central development activities for the rest of the civil service (ca 28,000 people). 85% of the funding for the top civil-service development has been allocated from the EU Social Fund.</p>
Main tools	<p>Due to the voluntary nature and limited formal basis of the top civil-service development, the TCSEC has made use of various "soft" tools: disseminating information, offering various development activities, promoting the value of these activities for the target group, etc. Instead of making development activities compulsory, the TCSEC has tried to enhance top civil servants' own initiative and responsibility in their self-development.</p> <p>Despite the low formalism, the top civil service programme makes use of a number of instruments:</p> <ul style="list-style-type: none"> <li>- First and foremost, the <u>competency model</u> for the top civil service was developed as a single framework for all top civil servants. The first version of the competency model (2005) included five competencies: credibility, having a vision, innovation, leadership and outcome orientation. With this tool, a common ground to describe the strategic requirements for top civil servants together with a central co-ordination system of their selection, assessment and development was founded. It was aimed at contributing to the evaluation of top executives' development needs and thereby supporting their self-development. After testing the original model for some years, the new improved version of the competency model was developed in 2010. The improved version is more specific and has four general value-based competencies and ten specific competencies. Value-based competencies include citizen orientation, credibility, leadership and</li> </ul>

	<p>corporate identity. The specific competencies are the following: awareness of law, strategic leadership, cooperation, policy-making, resource management, process management, HR management, communication, networking and self-management. The improved competency model provides a list of competencies together with 2-4 activity indicators described on a three-level scale (extraordinary, good and poor).</p> <ul style="list-style-type: none"> <li>- The second important instrument is the <u>competency assessment system</u>. An assessment of competencies is conducted annually during annual reviews. The assessment is individual, based on a 270 degrees' evaluation method: a competency profile is formed from the top executive's self-assessment, his/her immediate superior's assessment and comments of subordinates. The Government Office offers top officials support in discussing assessment results and planning development activities for the next period. A special <u>electronic environment</u> called e-Competence Centre has been created allowing both assessing the competencies and keeping a record on planned and completed development activities.</li> <li>- The third set of tools includes <u>various development activities</u> – individual coaching and mentoring, specially designed development programmes, individual and group trainings. The TCSEC also runs the leadership offspring programme called Newton, which aims to prepare civil-service executives for the future. The Newton programme is an extensive training course for about 20 competitively selected mid-level managers, advisors or top specialists from the central government institutions (ministries and agencies).</li> <li>- Finally, contribution to the merit <u>recruitment and selection of top civil servants</u>. In the course of open competitions, the TCSEC helps to run tests for candidates, prepares interviews and provides advice to the selection committee. Although not all new top civil servants are selected through an open competition, this is an important element of the system where TCSEC coordinates the application of the competency model and consults new executives in their development.</li> </ul>
Main actors	<p>The entire initiative has been driven by the non-political actors of the Government Office led by the secretary of state. Throughout the development of the coordination practice these key persons have retained their leading role. At the beginning stage in 2004-2005, an important role was also played by the project team that elaborated the first version of the competency model. After the formation of the TCSEC in 2010, the main actor has been the TCSEC itself.</p> <p>Throughout the planning and implementation period, foreign experts have been involved in both designing the competency model and in the provision of development and training activities. Foreign experts have been carefully selected by the Government Office: in most cases they have</p>

	<p>involved highly recognised academics and civil servants from states which have experience with running special arrangements for senior civil servants (for instance the UK, the Netherlands).</p> <p>In the last couple of years, the target group itself has become an important actor – top civil servants who have been active in using the available tools and development activities have been increasingly involved in the design of the activities for the next period and have given useful feedback to the TCSEC. Some cooperation and exchange of information has also evolved between the TSCEC and individual ministries. The ministries have been mainly in the role of giving feedback for the improved competency model and for the electronic e-Competence centre.</p>
<p><b>2.3. Impacts and effects</b></p>	
	<p>It is possible to pinpoint the following effects regarding the development of top civil servants in Estonia:</p> <ul style="list-style-type: none"> <li>- In general, the most positive effect of the initiative is the recognition of top civil servants as a coherent group with a crucial role in the entire civil service and with specific development requirements, and the creation of a solid framework for their development.</li> <li>- The elaboration of a sound foundation for the top civil-service development based on the competency model and including professional testing, competency assessment and tailor-made development activities have contributed to the merit practices in the Estonian civil service and the systematic approach towards the development of competencies. The representatives of the target group are in most cases satisfied with the work done by TCSEC, and there is a general opinion that this initiative should be continued.</li> <li>- The participating top civil servants have gotten to know each other through joint development activities, and some subgroups, e.g. secretary generals, have had chance to go through long-lasting and substantial development activities together. It is yet to be seen whether this will also strengthen horizontal cooperation and the whole-of-government approach in Estonia.</li> <li>- The fact that the Government Office has led the entire initiative without having a solid legal ground (until 2012) has substantially influenced the nature of the entire coordination practice. First, it has been impossible to develop relationships with the target group based on formal hierarchy. Second, the coordination practice is characterised by a high degree of informality and non-binding instruments characteristic to a network approach. The weakness of voluntary participation is that it has not made it possible to achieve results evenly due to partial coverage of the target group. This has also limited the broader aim of developing common knowledge, skills and values</li> </ul>

	<p>throughout the top civil service. Moreover, as the TCSES has to attract participants to development activities, the unintended negative effect may involve practices where development activities are designed with having their attractiveness in mind, which might overshadow the substance and limit the possibilities in carrying out development activities on not so popular topics.</p> <ul style="list-style-type: none"> <li>- The project-based character of the development of top civil servants has made this initiative unintentionally “too independent” from other central government actors and other development activities in the civil service. There has not been much institutionalised cooperation between the TCSEC and the Ministry of Finance, or between the TCSEC and the HR departments of the ministries and agencies. On the one hand, this has supported the perceived role of the TCSEC as neutral, objective and discreet. On the other hand, there are also negative effects. First, it has somewhat fused the responsibility between the TCSEC and individual organisations for their top civil servants’ development. Second, the cooperation and information-sharing between the TCSEC and individual organisations has been insufficient, although there has been some improvement over the past few years. In sum, the existing setup reflects the fragmentation of the Estonian executive and has not contributed to the development of a coherent approach to the development of the civil service as a whole.</li> <li>- Substantive dependence on the EU funding mixes accompanying accountability framework on the part of the TCSEC. The accountability to funders has been given a prominent role while the accountability to the target group, political leaders and citizens has not been systematically addressed. For example, the systematic reports prepared for the assessment of the entire initiative have been compiled as reports/assessments required by the funders while representatives of the mass media have turned their attention to the limited openness and transparency of the initiative to the broader public.</li> </ul>
<p><b>2.4. Lessons learned and policy recommendations</b></p>	
	<p>It is possible to draw several lessons from this practice.</p> <p>First, although the politically initiated civil-service reform failed several times, its preparations gave a necessary kick and provided a platform for the development of the top civil service. The officials of the Government Office recognised the need for such a coordination practice and wisely used the existing window of opportunity. This opportunity emerged in the shadow of a civil-service-reform attempt in 2004, where the need for top civil-service development was clearly addressed. Later, the presence of the EU funds offered an important opportunity for financing the initiative.</p> <p>It is a good example of how civil servants can start a new initiative without</p>

a push from the legislator. Moreover, it demonstrates how it is possible in a legalistic culture to build up a network-based instrument without mandatory formal requirements cemented by the legislation. This was largely facilitated by “extra” funding available from the EU structural funds.

Second, in the decentralised administrative system with a few effective coordination and cooperation mechanisms, a gradual introduction of the new coordination initiative has proved successful. A step-by-step approach in the development of the top civil service with constant learning and gradual winning of the target group’s trust, support and ownership has proved to be of key importance in the introduction of such a voluntary-based initiative.

Third, the establishment of a sound basis for the development of the top civil service in the form of a professional competency model and assessment system was crucial for the further elaboration of development and training activities. The evolution of such a fundamental system elements helped to perceive the entire initiative not as a one-time effort, but a continuous and consistent practice by the target group, politicians and the public.

Fourth, a highly motivated core team and the personal commitment of the secretary of state were critical factors for building up the coordination practice in a loose legal environment and in the context of highly decentralised HR policy. Leadership and a proactive attitude taken by the core team was vital for encouraging top executives to accept the assessment of their competencies and to build commitment to self-development.

Fifth, the experience with the development of a voluntary-based initiative also shows negative aspects related to voluntary participation. Several assessments have shown that the existing coordination practice could have been more fruitful if more formal and even mandatory tools had been combined with the voluntary ones.

Sixth, the coordination practice at hand shows how to build a governmental “island of excellence” with a high level of autonomy, generous funding and a lot of freedom in the process of creating a new system. However, such “an island” may not be logically and coherently linked with the remaining parts of the government. For instance, it may cause problems in getting and using input and feedback from wider sources, which would contribute to its openness and transparency. In case these problems are not addressed in the long run, it may halt the learning process and undermine the legitimacy of the initiative.

Seventh, the availability of the EU structural funds has substantially triggered and legitimised the development of the top civil service. The allocation of generous funding from the EU structural funds proved to be of key importance in the implementation and institutionalisation of this coordination practice. However, a strong reliance on the EU funding raises

	<p>serious questions about the financial sustainability as 85% of this initiative has been financed by the EU structural funds, which will end in 2013. The EU funding has created a temporary “oasis” which may need to substantially shrink once it ends. Although the new Public Service Act has, by and large, legitimised the permanency of the development of top civil service, its current funding scheme refers to a temporary arrangement, and it does not enable a stable and sustainable functioning of the entire initiative.</p> <p>Finally, since the funding of the activities targeted at top civil servants has been mostly based on the EU structural funds, the implementation of this coordination practice has largely followed bi-annual project-periods. On the one hand, such a project-based nature of the initiative has prevented building up a long-term coherent (as well as realistic) vision for the development of the top civil service. On the other hand, the project-based funding has made it possible to flexibly accommodate the changing needs of the state and the target group, and to test various tools.</p>
<p><b>2.5. Further information</b></p>	
<p>Data and references</p>	<p>The analysis of this coordination practice is based on research carried out for the following report:</p> <p>Sarapuu, K., T. Randma-Liiv, A. Uudelepp and M. Metsma. 2011. <i>Final Report of the Analysis of Civil Service Training System and Development Needs of Estonia</i>. Commissioned by the Estonian Ministry of Finance. Praxis Centre of Policy Studies and Department of Public Administration of Tallinn University of Technology.</p> <p>Other relevant sources:</p> <p>Järvalt, J. and T. Randma-Liiv. 2010. “Public Sector HRM: The Case of No Central Human Resource Strategy.” <i>Baltic Journal of Management</i> 5(2), 242-256.</p> <p>Limbach-Pirn, E. and K. Toomet-Björck. 2011. “Competencies for Effective Strategic Leadership: The Case of Estonian Civil Service.” Paper presented to EGPA Annual Conference 2011, Bucharest, Romania.</p> <p>Meyer-Sahling, J.-H. 2009. “Sustainability of Civil Service Reforms in Central and Eastern Europe Five Years after EU Accession.” <i>Sigma paper</i> 44.</p> <p>OECD. 2011. <i>Estonia: Towards a Single Government Approach</i>. Paris: OECD Public Governance Reviews, OECD Publishing.</p> <p>Sarapuu, K. 2012. “Estonia.” In K. Verhoest, S. van Thiel, G. Bouckaert and P. Laegreid (eds). <i>Government Agencies: Practices and Lessons from 30 Countries</i>. Basingstoke: Palgrave Macmillan Ltd, 277-287.</p> <p>Sarapuu, K. 2011. “Post-Communist Development of Administrative Structure in Estonia: From Fragmentation to Segmentation.” <i>Transylvanian</i></p>

	<p><i>Review of Administrative Sciences</i> 35(4), 54-73.</p> <p>General information on the Estonian public service. Available at <a href="http://avalikteenistus.ee">http://avalikteenistus.ee</a>.</p> <p>Description of the competency model and assessment of competencies. Available at <a href="http://avalikteenistus.ee/index.php?id=10752">http://avalikteenistus.ee/index.php?id=10752</a>. 1 May 2012.</p> <p>Description of the Newton programme. Available at <a href="http://avalikteenistus.ee/index.php?id=10766">http://avalikteenistus.ee/index.php?id=10766</a>. 1 May 2012.</p>
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