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PUBLIC ADMINISTRATION DEVELOPMENT IN THE ESCWA REGION

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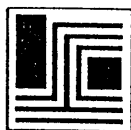Association for the Development of Informatics and Law in Lebanon (ADIL)

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PUBLIC ADMINISTRATION DEVELOPMENT IN THE ESCWA REGION

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1. INTRODUCTION

The public sector, world-wide, is undergoing a period of profound change and renewal. This change is requiring governments to redesign their roles to maximize value for citizens, strengthen democratic governance, and adopt innovative management practices and technology to face globalization and competition.

The new global environment brings together the effects of technological, economic, and political forces with an overwhelming impact on all aspects of life in a complex topology: public and private; economic, social, political and cultural; and at global, regional, national and local levels. These forces have benefited certain actors and groups and have rendered others more vulnerable and marginalized. By and large the benefits of globalization were well harnessed by developed countries, but not so by the developing ones. The ways governments have to respond to globalization challenges depend on their prevailing political, social, economic, cultural and technological situations. In cases where there is capacity and strategic institutions to deal proactively with globalization (such as in developed countries) evolution and adaptation occurred smoothly. In others, such as in developing countries, where the need for reform is greatest the capacity to adjust and adapt is weakest. This leads to the need for analyzing carefully the benefits and risks of globalization in order to assess the costs and benefits, economic risks, unemployment risks as well as social risks.

Old concepts and traditions are giving way to new ones aiming at improved governance, better transparency and accountability, more efficient management structures and a client-oriented, and innovative service delivery environment.

The role of the State is changing from player to referee, and from provider to enabler. This changing role requires building the capacity to act as a mediator and fair broker to manage the expectations of various interest groups; political, economic, social, environmental; who articulate their needs in a manner usually decontextualized from the cost to the community as a whole. The State is being reshaped to conciliate conflicting needs and demands through an interactive participatory planning and goal-setting process, by inclusion of all national stakeholders, and maximizing value for citizens.

Democratization trends call for strengthening democratic governance and its institutions including judicial independence, legislature, the norms of transparency, accountability and participation, free press and access of the public to government information and audit bodies.

These trends also call for social inclusion and adequate representation of the marginalized groups and for ensuring the satisfaction of citizens in terms of reach, equity, affordability and quality of government services.

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2.   STRATEGIC CONTEXT

2.1   External Environment

Some countries of the ESCWA region have undertaken successful and promising development initiatives, and are implementing international best practice in certain domains, yet the region as a whole faces a range of social and economic challenges, in order to meet the aspiration of its people and the expectations of its partners and stakeholders world-wide. Although traditional debates over the development climate have focused on political and socio-economic instabilities, it is now clear that government administration and bureaucracy are a major determinant of that climate.

The region needs to interact and integrate effectively with a dynamic and continuously changing world environment with increasing trends of globalization, competition, and utilization of new technology.

In the global economy, the region's ability to create and sustain jobs and realize economic, social and human development advances, depends to a great extent on the development and competitiveness of its enterprises. The role of the government in promoting business growth and public and private sector efficiency is crucial to enhance this ability.

Given this strategic context, the region's countries are seeking to meet those challenges by redefining the role and functions of government, determining the most appropriate management framework for delivering services efficiently, affordably and sustainably; defining the competencies needed to improve the effectiveness of government; and availing the resources needed for implementation.

These initiatives require a total institutional "rethinking" that recognizes the changes in the world environment, defining the "clients" and stakeholders of the region, understanding their needs and requirements and organizing public administration and its internal processes to generate the results that satisfy those needs and requirements.

The first and most important client for a public administration is its own citizens. Second, each country of the region is a client and partner to the other countries. Third, the region as whole (and each of its countries) has international partners and stakeholders including, inter alia:

- All other countries
- The United Nations and all its organizations
- Regional organizations
- International trade organizations
- International professional organizations
- International donor and funding agencies
- Regional funding organizations
- Emigrants of the region

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In order to respond effectively to the regional and international environments, each government needs to observe the following key attributes of performance in its public administration:

- Adherence to the principles of good governance.
- Responsiveness to clients and stakeholders
- Effectiveness in achieving goals
- Efficiency in using resources
- Quality management
- Flexibility to meet changing needs
- Transparency of transactions
- Concern for economic, social and environmental sustainability

2.2   Key Issues

Following are the envelope key issues of: strategic aspects, governance, service delivery and management, facing different countries of the region to varying degrees. Each country has its own reform priorities and strategic initiatives to meet the issues, needs and concerns that are pertinent to its own situation.

2.2.1   Strategic Issues Affecting Growth and Prosperity

The key issues of strategic nature facing the countries of the region include:
- Low economic growth and high unemployment
- Low ranking in human development
- Unclear country and regional goals and objectives
- Weak policy management structures within administrations
- Slow responsiveness to global changes

2.2.2   Governance Issues Affecting the Domain of Public Good

"Governance is the exercise of political, economic and administrative authority to manage a nation's affair. It is the complex mechanisms, processes, relationships and institutions through which citizens and groups articulate their interests, exercise their rights and obligations and mediate their differences" (UNDP, 1997)

The key governance issues facing the countries of the region include:

- Imbalance between the executive branch (dominant) and the legislative (weak) and the judicial (overloaded) branches.
- Weak mechanisms of accountability and transparency.
- Low levels of public participation and democratization.
- High degree of centralization of government with a dominant executive branch and weak local government.
- Large bureaucratic public sectors with high cost compared to performance.

2.2.3 Service Delivery Issues Affecting the Quality of Life and Competitions

The main issues pertaining to the delivery of government services (utilities, infrastructure, administrative services, and social services) include:

-   Demand for government services exceed supply due to high urban growth and population increase. Minor share of private sector participation in infrastructure services.
-   Resource management problems: issues pertaining to deficiencies in the transparency and accountability of procurement practices.
-   Sustainability problems: growing needs, higher costs, environmental degradation, weak land use planning and weak urban management.
-   Funding of almost all services is from government revenues.

2.2.4 Management Issues affecting Performance, Efficiency and Effectiveness

The salient feature of modern management is the continuous improvement of structure, systems, processes and competencies to achieve objectives efficiently and effectively. The main issues of public administration management in the region include:

-   Leadership shortages.
-   Weak policy management.
-   Weak integration and coordination.
-   Organizational deficiencies.
-   Weak financial performance.
-   Out dated systems and procedures.
-   Inadequacy in HR management and training.
-   Strong reliance on inputs and preceduralism.
-   Weak MIS and IT resulting in fragmented and uncoordinated. information flows and weak decision support systems.
-   Weak financial management and planning.
-   Deficiencies in performance management due to lack of focus on results.

2.3 SWOT Analysis

Table (1) shows collective SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of the ESCWA region. This analysis helps in defining and streamlining the strategic initiatives needed for the region to position itself optimally in the global environment in order to fulfill the aspirations of its people.

Figure (1) highlights the key issues and the corresponding strategic initiatives for a continued development of the public administration in the ESCWA region.

TABLE (1) – Collective SWOT Analysis of the ESCWA Region

Strengths	Weaknesses
- Rich History and Culture. - Human Resources. - Material Resources. - Geographical Location. - Successful development initiatives and modernization efforts in various countries.	- Weak intra-region integration. - Unclear regional and country goals and objectives. - Vast untapped human and material resources due to lack of investment. - Uncompetitiveness and low growth. - Centralization of decision making and limited participation of civil society. - Problems in governance structure. - Weak management.
Opportunities	**Threats**
- Setting clear regional and country goals and objectives. - Improve governance structure toward higher accountability and transparency. - Improve resource utilization toward economic growth. - Improve efficiency and service delivery to meet growing demand in a sustainable manner. - Improve political participation and public-private dialogue. - Adopt performance – oriented management structures. - Adopt aggressive human development initiatives.	- Inadequate response to changes in the world environment, and lack of leadership. - Growing unemployment and slow or negative economic growth. - Unsustainability of development projects and services due to inefficiencies and lack of funds. - Persistence of current governance practices. - Lack of social and human development initiatives. - Continued weaknesses of management structures, systems and technology. - Resistance to change at high levels.

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Key Issues

Strategic issues pertaining to the positioning of the Region in the world environment, its global weight, economic growth, human development and prosperity, and fulfillment of citizens aspirations.

Governance issues affecting the space of public good, including values, ethics reach and equity of participation, in the economic and political life and the government structures that promote these values.

Service delivery issues affecting the quality of life and pertaining to the provision of infrastructure and services that allow the private sector and the civil society to operate effectively and flourish.

Management issues affecting performance, efficiency and effectiveness, including leadership, management systems and procedures, human resource management, new technology and e-government

Strategic Initiatives

- Establishing country and regional goals and objectives through interactive participatory planning approaches and documenting vision and mission statements.
- Improving reach and equity of participation of all citizens in the economic and political life.
- Contextualizing institutional reform and development vis-a-vis the socio-economic and political environment it is meant to serve, and understanding of complex regulatory practices for emerging global standards.

- Strengthening the legislative and judicial branches and ensuring their independence from the executive branch.
- Strengthening the mechanisms and norms of accountability, transparency, equity and responsiveness, and implementing sound audit procedures.
- Strengthening external feedback on public sector performance and the processes of public expenditure.

- Exploring and selecting the management framework that is most appropriate to the delivery of a particular service to achieve government objectives of efficiency, effectiveness and sustainability.
- Establishing criteria for evaluating alternative service delivery mechanisms, based on public interest, quality of service customer satisfaction, value for money, and economic, social and environment sustainability.

- Implementing performance management systems including modern financial and accounting systems and activity / performance based budgeting.
- Implementing quality management systems to attain customer focus and customer satisfaction.
- Implementing ICT and e-government as an effective tool of improving governance by improving accessibility to government services.
- Rethinking human resources management stressing development, empowerment, accountability, transparency and merit-based recruitment and promotion. Civil servants serve the citizens, not the politicians.

Figure (1) - Key Issues and Strategic Initiatives for Public Administration Development in the ESCWA Region

3. PRINCIPLES OF INSTITUTIONAL REFORM IN THE ESCWA REGION

How should governments in the ESCWA region respond to the key issues of globalization, and governance? What role should the government assume to maximize value and economic growth? What policy framework should be adopted for optimizing service delivery? What management practices and technology are needed for capacity building? How should human resources be managed to harness the potential of capacity building? These questions are the focus of the following principles of public administration reform.

3.1 The Enabling Role of Public Administration

In order to effectively contribute to sustainable economic and social development, the government should focus on its core enabling function which is setting the administrative and regulatory framework within which the private sector and NGOs can operate. The roles and responsibilities of government should be restructured and rationalized to focus on policy management, planning and resource allocation. It should undertake to evaluate, on a regular basis, the achievements and costs of government activities to ensure achieving value for money. This is essential to ensure that the most efficient means of service delivery is selected, based on good understanding of outputs, level of service, and costs.

3.2 Enhancing the Quality of Governance

Good governance earns the trust and confidence of people in government. This requires the strengthening of the mechanisms of accountability to ensure transparency in budget execution and management, improving information dissemination, encouraging external feedback on public sector performance and promoting public participation mechanisms. This requires stressing and enforcing the principle of public interest for guiding decision making across all levels of the management of public funds: from policy setting to planning through implementation and evaluation.

3.3 Streamlining Structures of Public Administration

The enabling functions of government need to be implemented through a coherent structure streamlined along the objectives to be achieved and guided by the principles of good governance. The structure should observe the differentiation of the roles of policy management from policy execution (service delivery undertaken by executive agencies). The structure should allow for proper distribution of responsibilities through delegation and accountability and for appropriate decentralization mechanisms to activate and involve local governments.

3.4   Restructuring Service Delivery

The functions of government involve a wide variety of services (administrative, infrastructure, utilities, social services...). Those services should be provided through an organization and a management framework that is most appropriate to the nature of each service. Such a framework should address the existing deficiencies and improvements in the provision of a variety of services, in order to improve service delivery and ensure quality and sustainability.

3.5   Modernizing Management Practices

Introducing and stressing performance management, customer focus, optimization of service quality to meet the needs of beneficiaries and citizens, introducing information technology and e-government, simplification of procedures to stress results and cut routine.

3.6   Rethinking Human Resource Management

Modern and effective human resource management should be adopted with a culture that focuses on results and client orientation, empowerment and accountability, and performance management. The practice should be based on matching competence with job requirements, performance appraisal and merit.

3.7   Effective coordination

Proper links and coordination should be ensured between those responsible for policy making and the executive agencies responsible for service delivery.

These principles of reform must be applied within the context of the main functions of government:

- Setting national policies and resource planning and budgeting, undertaken by the executive branch and approved by the legislature.

- Policy management at the sector level for the provision of government services, undertaken by the sector ministry.

- Service delivery, undertaken by government agencies, municipalities or the private sector.

Table (2) shows a modern view of the functions and responsibilities of government at various levels.

TABLE (2) - FUNCTIONS AND RESPONSIBILITIES OF GOVERNMENT

Government Function	Level	Responsibilities	Remarks
National policies - Resource planning and budgeting	Council of Ministers Legislature	- Overall resource planning - Control on allocation of resources - Policy review.	- Ensure balance between the Executive branch and the Legislative and Judicial branches. - Ensure that audit body is independent of the executive branch. - Adopt activity based budgeting / performance based budgeting.
Policy management at the sectoral level for the provision of government services	Sector Ministry	- Identifying policy issues pertaining to government services and developing broad policy goals based on social and economic requirements. - Establishing policy objectives. - Deciding on appropriate service delivery agencies / mechanisms. - Obtaining resources for delivery agencies. - Monitoring and Evaluation of results.	- Ministries need to establish / reinforce policy management capacities. - Ministries need to establish management and financial frameworks within which their service delivery mechanism can operate. They need to match between policy requirements and the resources available.
Service Delivery	- Ministry Departments - Executive agencies under the Ministry - Contracts, concessions, BOT - Municipalities - Private operators	- Operational Planning. - Preparation of annual operating budgets and targets. - Implementation of plans. - Management of resources. - Monitoring budges. - Undertaking performance improvement measures. - Evaluating and reporting performance.	Information should be provided to the Ministry to evaluate progress and results. This will enable the government to exercise regular and systematic review of the whole public expenditure.

4. GUIDELINES FOR SELECTION OF APPROPRIATE SERVICE DELIVERY STRUCTURE: A MODEL FOR MODERN AND EFFICIENT PUBLIC ADMINISTRATION

The institutional "rethinking" for public administration is needed because the government is faced with a host of demands on its manpower and financial resources. The level of demand for infrastructure and services will increase over the coming years while resources are limited. The increased demand can only be met by improving value for money. This calls for service provision through a management framework that is appropriate for each type service, ensuring the selection of the best way to deliver a service to achieve government objectives, while creating a more client-oriented, affordable and innovative service delivery environment. Alternative forms of service delivery may include options which generate revenues by charging user fees, encouraging increased cost effectiveness, optimal use of resources, responsiveness to clients and good business practices.

In the sections to follow we address the factors affecting the choice of service delivery structure, in terms of the type of public sector executive agency and the alternative form of private sector participation.

4.1 Public Sector Executive Agencies

The delivery of government services may be assumed by several types of public sector executive agencies or by the private sector. The choice of service delivery structure depends, inter alia, on the following most important factors:

(a) ***The type of service to be delivered:***

    (i) **Core services**, including policy setting, regulation, strategic planning, including land use master plans, zoning, vehicle registration, traffic planning and management road design and maintenance, contract management, control, evaluation law enforcement, and other economic functions performed by the government as care taker of public policy.

    (ii) **Support services**, including ancillary services provided, only to other government agencies (e.g. data processing, engineering services, maintenance services...)

    (iii) **Commercial services** covering those services, such as utilities public transport, port and airports that are provided for the public at a charge. There are innovative approaches for private sector participation in the delivery of these services which have been traditionally provided by the government participation may take several forms such as management contracts, concessions, BOT, and others as discussed below.

(b) *The degree of autonomy and flexibility, or freedom from government control that is desired:*

    (i) **Direct Control by Government**

        Services kept under direct government control, such as law enforcement, vehicle registration, and traffic safety and control.

    (ii) **Autonomous**

        Services that would benefit from a wider public participation in their management, and requiring operational flexibility not normally attainable in a government structure: e.g. public transport, on-street parking management, solid waste management, wastewater treatment plants and toll highways.

(c) *Pricing Strategy:*

The pricing strategy needed for a particular service, affects the choice of executive agency. It depends on the government's economic, social and fiscal policies:

    (i) Free to the consumer, or for a nominal charge.

    (ii) Partial cost recovery, for services that earn revenue, but are subsidized, such as public transport, which is usually subsidized to provide alternative mode of transport in urban areas to achieve disenable objectives in service of public interest.

    (iii) Full cost recovery, where prices charged reflect the full cost of provision of the service including the cost of capital.

The selection of the appropriate executive agency depends on the various combinations of factors that can arise. Four broad types of executive agency can be considered:

- **Traditional Department (of a Ministry)**
  Applicable to core government services that are provided to the public at no charge, such as law enforcement, traffic management, planning, control and safety.

- **Autonomous Public Agency**
  Applicable to core services, support services or commercial services, where partial or full cost recovery is sought and where direct control by government is desired, e.g. vehicle registration (core service), tol highway (commercial service).

- **Public Corporation**
  Applicable to core functions where commercial viability is sought or for commercial services. Wholly owned by government but with separate accounting and management structure, operating according to commercial principles.

- **Autonomous Public Bodies**
  Non-departmental public bodies with a role in government but operating at arm's length. This type is appropriate for service delivery requiring a greater degree of freedom from government for purposes of independence or flexibility (consumer protection, university, official gazette, wildlife park,...)

4.2 Private Sector Participation

The public sector in the countries of the ESCWA region have varying sizes and shares of the country's economic activities including commercial activities. Given the need to explore the most efficient means of service delivery, there is considerable room for larger private sector participation, based on good understanding of needs, outputs, level of service and costs.

The principal objective of private sector participation is to realize better value for money by bringing in private sector expertise and management skills within a framework which is politically and socially acceptable. This objective may be amplified in the following specific objectives:
- Improving service delivery capacity
- Realizing performance improvements
- Realize efficiency improvements through better resource management
- Addressing cost recovery issues
- Ensuring sustainability and quality of service

Such participation may take either of the following two forms:
- Contracting out the delivery of services, whereby the private sector acts as an agent for the government, and its involvement is introduced within a contractual framework.

- Divestiture, whereby the public sector withdraws from the provision of a service, where the ownership of a function or enterprise is transferred to the private sector.

4.2.1 Contracting out
Contracting out the delivery of services is a regular practice and it is a flexible way of involving the private sector in service delivery. It can take three main forms:

- **Service Contracts (Outsourcing)**
  Applies for specific activities or services such as custodian services, security, and property maintenance. This form of contracting out transfers the management of the costs of service provision.

- **Management Contract**

    Applies where a concession is granted to a private sector company to manage a business such as utilities, port terminal, airport, car parks, on street parking. A management contract usually transfers responsibility for managing the costs and revenues of a service or a business.

- **BOOs or BOOT (Build-Own-Operate) Schemes**

    Involves granting a concession to the private sector to build, finance and operate a new infrastructure project such as a a highway, a plant, a carp park, or a rail line. The BOO scheme transfers responsibility for managing the costs, revenues and finance.

4.2.2 Divestiture

Divestiture involves one of the following forms:

-     The public sector withdraws from providing a service and lets the private sector fill the need.

-     The public sector sells all or part of the government's share in existing public corporations.

-     The public sector transfers the ownership of a service or business and its associated assets to the private sector through various forms of sale.

Divesture may involve a number of issues including regulation, retaining strategic control, valuation of the business, observing relevant policies and public interest.

The process of private sector participation has been active to varying degrees in different countries of the region for many years. Capacity building is needed to address new approaches to and innovative forms of private sector participation.

Building capacity involves a policy management framework that creates an enabling environment for economic growth and for civil society to flourish. It involves leadership, good structures, innovative systems, effective service delivery and skilled human resources to deal with an environment of increasing complexity and competition.

The restructuring needed for various private sector participation paths will require policy directives or policy refinement from the respective Government to be able to proceed or accelerate the process. These directives have to do with the balance between the degree of control the public sector would like to retain and the flexibility given to service delivery by the private sector. The question of cost recovery, partial or full, would also have to be addressed for commercial type services in order to ensure operational and economic sustainability.

5. REGIONAL DEVELOPMENT INITIATIVES

5.1 UNDP Experience

The UNDP has undertaken important initiatives to support good governance in the Arab World, including improvements to administrative, political and economic governance in terms of institutions systems and human resources development. These initiatives were streamlined towards sustainable human development by support to building the capacity of governance institutions, and promoting effective relationships between government, the private sector and civil society.

UNDP's activities included enhancing policy management and decision support systems, enhancing democratic processes, civil service restructuring, service delivery restructuring, economic and fiscal reform, enhancing transparency and accountability of public administration, local governance and decimalization. Table (3) shows examples of UNDP supported governance activities in Arab countries.

Box 1

Institutional Response to Globalization

The Group of Experts observed that the strategies for institutional responses must be fundamentally based on democracy consolidation, the rule of law and a participatory approach in order to achieve the conceptual and operational reappropriation of the state mechanism by its citizens and the inclusion of all the national stakeholders and components.

The Group of Experts concluded that Governments that seek to follow the above strategies and to be globally aware and proactive may find it useful to focus institutional development on the following specifics:

a. Creating and strengthening institutions to manage change,
b. Supporting dedicated think tanks and policy planning units,
c. Learning from experiences of others,
d. Creating and strengthening inclusive, participatory, decentralized decision-making institutions (both within the institution as well as in their interface with the public)
e. Commitment to efficiency, timeliness, effectiveness and openness,
f. Developing and strengthening institutions for generating income, growth and internal markets,
g. Creation and strengthening of efficient structures to provide social services,
h. Promoting access to technology and Internet,
i. Creation and strengthening of focal points in departments to interface with the outside institutions,
j. Creating and strengthening capacity to negotiate to deal with disputes and foster a culture of dialogue; and
k. Developing institutions based on political pluralism, inclusiveness and professionalism.

Source: UN-Economic and Social Council, Work of the Group of Experts on the United Nations Programme in Public Administration and Finance at its fifteenth meeting – Report of the Secretary General, June 2000 p11.

TABLE (3) – Examples of UNDP Experience in Public Administration Development in Arab Countries

UNDP Activities	ALGERIA	BAHRAIN	DJIBOUTI	EGYPT	JORDAN	KUWAIT	LEBANON	LIBYA	MOROCCO	SAUDI ARABIA	SUDAN	TUNISIA	QATAR	UAE	YEMEN
Public Administration Reform															
Democratic Process															
- Governance capacity and institutional Reform Programme				✓		✓	✓	✓	✓			✓		✓	✓
- Regional project on efficient and effective parliaments															✓
- Regional initiative on women, leadership and decision making															
Local Governance and decentralization															
Building capacity of civil society	✓			✓			✓		✓		✓	✓			✓
Transparency and Accountability				✓	✓	✓	✓		✓		✓	✓			
Human Rights					✓	✓	✓		✓						✓
- Regional activities															
Peace Building and Post-Conflict Development										✓	✓				
Economic and Fiscal Reform															
- Strengthening revenue collection and enhancing taxation policies				✓			✓		✓		✓				
- Building capacity in policy formulation and implementation of fiscal and economic reforms				✓					✓						
Structural Transformation and Privatization															
- Building capacity for structural transformation and diversification of the economy					✓		✓		✓					✓	✓
- Promotion of privatization		✓								✓				✓	
Trade: Facilitation of Integration into the Global Economy				✓			✓		✓	✓					✓
- Trade and export promotion															
- Preparation for accession to WTO									✓	✓		✓			
Employment Policies		✓	✓		✓	✓				✓					✓
Development Planning		✓													
Aid Coordination															

Source: Note on UNDP Governance Activities in the Arab States Region, UNPD Regional Bureau for Arab States, SURF for Arab States, March 1999.

Realizing the importance of well performing public institutions and good governance to economic growth, the World Bank has reshaped its strategy for lending and nonlending support to respond to the complex and growing needs of its client countries. Based on the Bank's vast experience, the new strategy comprised four broad changes in the way the Bank operates in helping them to achieve their development objective[1].

1 - Approach: Reform will Proceed only when a country's leaders are committed. Changing internal rules of government is not enough to foster ownership and promote sustainable reform. WDR97 highlighted the importance of three mechanisms that promote public sector effectiveness and good governance: Internal rules and restraints, "Voice" and partnership, and competition (see figure 2 below).

**Figure (2) Mechanisms to Enhance State Capability:
Three Drivers of Public Sector Reform[1]**
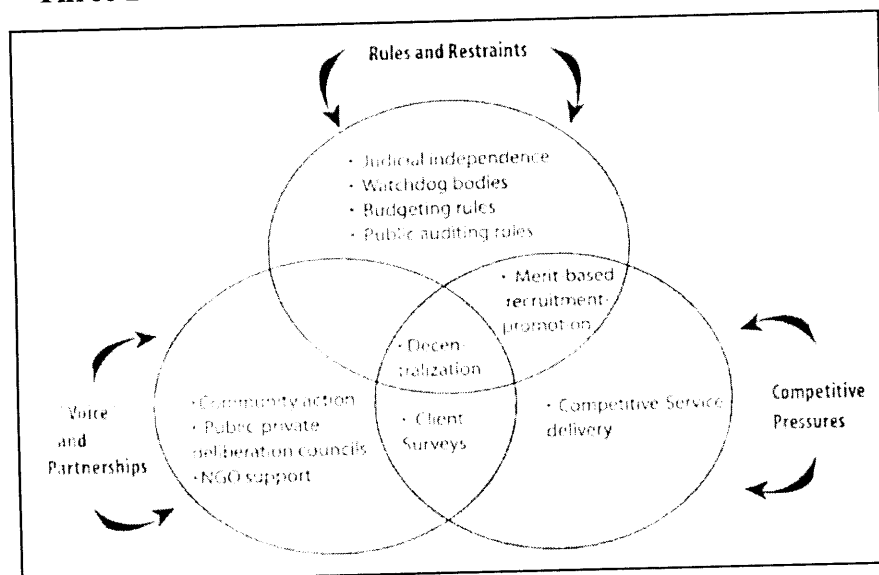
2 - Analytic Work: Understanding of what exists on the ground and emphasizing "good fit" rather than applying one-size-fits all notion, benefiting from the Bank's unique advantage of its ability to combine expert cross-country knowledge with in-depth understanding of the specifics of client countries.

3 - Lending Instruments: Ensuring that lending enhances institution building and that lending approaches are tailored to country conditions.

4 - Staffing, Organization and Partnerships: Ensuring that the Bank continue to develop the skills to do better institutional governance, while emphasizing close collaboration with partners in this area of work.

Table (4) shows examples of World Bank activities in public administration development in the MNA region.

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(1) Reforming Public Institutions and Strengthening Governance, A world Bank Strategy, November 2000.

Table (4) – Examples of World Bank Experience in Public Administration Development in the MNA Region

World Bank Activities	EGYPT	JORDAN	LEBANON	WEST BANK / GAZA	ALGERIA	MOROCCO	TUNISIA	YEMEN
1. Country Assistance Strategies 1994-1998:								
a) Diagnostic focus on specific areas of public sector institutional reform including								
- civil service reform,	✓		✓		✓	✓	✓	✓
- privatization and increased competition in service delivery		✓						
- public expenditure management								
- decentralization of project management								
b) Broad supportive changes in formal rules, notably the legal regulatory and administrative frameworks, to foster market competition and encourage private provision when appropriate.	✓				✓	✓		
c) Institutional charges that address incentives to create an enabling environment for private provision of services	✓					✓		
2. Recent Bank Activities in MNA								
Specific activities in MNA countries over the past several years (lending operations, economic and sector work (ESW), and technical assistance) have addressed a range of public sector institution building needs, with variable success. Bank lending for civil service focused on capacity building, including the provision of training and equipment, and advice on systems. Bank support was less successful in changing the **incentives** driving public sector performance through reform of institutional arrangement. In particular downsizing and reform institution were unsuccessful in the completed interventions, through they are improving over time, while capacity building efforts to improve principal – agent relationships were successful 50% of the time. Experience with ESW focusing on core public sector institutions, such as evaluation of the impact of public expenditure reviews (PERs) was marginally satisfactory.								
3. New Analytic Work								
a) Region – wide analysis of the links between public sector institutions and economic performance, and of the role of the public sector as regulator.								
b) Country – specific diagnostic work on budget and related public sector institutions.		✓		✓			✓	✓
c) Country – specific analysis of accountability, in public sector institutions.		✓		✓			✓	✓
The Bank contributed to the creation of the Economic Research Forum (ERF).								

World Bank Activities	EGYPT	JORDAN	LEBANON	WEST BANK / GAZA	ALGERIA	MOROCCO	TUNISIA	YEMEN
4. Bank Support for "voice" and Participation								
- Service delivery survey work introducing the concept of client feedback								
- Gender strategy for Morocco which involved broad consultation through in-country focus groups has helped illustrate "voice" and participation mechanisms.		✓		✓				
- Help in building a regional network on gender-related issues.						✓		
- Social assessment of Bank projects in several countries have insured broader stakeholder participation in project design.								
- Bank's efforts in building the ERF and the EDI's efforts in building the Mediterranean Development Forum in 1997 have helped strengthen regional mechanisms for collaborative research and discussion.								
- Support to strengthening the watchdog function of journalists in the region through training in economic policy issues.								
5. Competition								✓
Supporting reductions in the State's role as service provider through divestiture or increased competition in service delivery. Examples include support for:								
a) Setting up the Technical Privatization Office in Yemen								
b) Contracting out the management of the Gaza City Water and Wastewater System				✓				
c) NGO delivery of social services in the West Bank and Gaza				✓				
d) Independent power generation in Morocco						✓		
6. Anticorruption								
Limited work so far:								
- WBI seminars		✓				✓		
- Public Sector Management Adjustment Credit, in Yemen supports a reform program to improve governance, and increase transparency and integrity in public administration.								✓
7. More Systematic Public Sector Reform								
Trend in Bank work toward a more holistic approach to the medium – term policy and institutional development agenda in several MNA countries, is for more systematic focus on public sector institutional reform needs. Pilot work in WBG, Morocco, Yemen and Jordan.		✓		✓		✓		✓

Source: Reforming Public Institutions and Strengthening Governance, A World Bank Strategy. November 2000, pp 121-125.

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5.3   TEAM's Experience

TEAM International has been active since 1975, in a wide range of development projects in various countries of the ESCWA region. The firm has developed a Quality Management and Standards Department which was ISO-9000 certified in 1995.

The consulting activities of the firm have covered the following areas of institutional development of public administration:

- Capacity building to meet the challenges of globalization.
- Administration rehabilitation and management development programs.
- Organizational development and restructuring.
- Institutional support to large infrastructure projects.
- Social services provision and management studies.
- Health sector reform.
- Public enterprise reform and privatization programs.
- Capacity building and workload measurement.
- Export promotion studies.
- Socio-economic studies.
- Economic, social and environmental impact assessments.
- Management education programs (MBA's).
- Regional inter-country studies (e.g. education, transport and construction sectors).
- Technical assistance in management and technology fields.
- Manpower studies and HR planning
- Performance evaluation and assessment.
- Training plans.
- Training programs design and implementation.
- Sectoral studies (infrastructure, utilities, health, education, industry).
- Information and commutations strategies.
- Local government and decentralization.
- Process improvement and procedure simplification.

An overview of some examples of TEAM's activities related to public administration development is shown in table (5). Some of these projects have been undertaken in collaboration with international partners. Such collaboration is sought whenever it creates synergy that adds value to the beneficiary organization.

Appendix (2) Includes examples of development Projects undertaken by TEAM in countries of the ESCWA region.

Table (5) – Examples of TEAM International's Experience in Public Administration Development in The ESCWA Region

Bahrain	Egypt	Jordan	Lebanon	Palestine	Saudi Arabia	UAE	Yemen
Management Development Plan, Ministry of Works	Management Development for Productivity (MDP)	Capacity Building and Work Load Measurement	Public Administration Rehabilitation Programme - Immediate Technical Co-Operation Activities UNDP, Lebanon	Organization study and Management Systems Development for Al-Khalil Municipality	A Study of Transportation Modes in The countries of GCC and the Feasibility of Establishing a Regional Trucking Company Tthe Arab Fund for Economic & Social Development (AFESD) – Kuwait, General secretariat of the Gulf Cooperation Council - Riyadh	Manpower Development Project for the Ministry of Education and Youth, United Arab Emirates	Training Workshops for the Public Telecommunication Corporation
Management Training Program for Bahraini Defense forces	Developing a National Vocational Skill Standards and Certification System	Quality Management Systems	National Administrative Rehabilitation Programme (NARP),Minister of State in Charge of Administrative Reform, Lebanon	Training Program for the Agricultural Cooperative Societies & Unions			Institutional Strengthening for Five National Water and Sanitation Authority (NWSA) Branches
	Cost Recovery for Health Sector	Greater Amman Municipality	Management Skills And Supervisory Skills Seminars Office of the Minister of State for Administrative Reform, Lebanon, Lebanon	Gaza Sea Port Environmental Impact Assessment	Setting of an Information System and A Data Base for Educational Affairs for the Bureau Of Education Of The Gulf States, Saudi Arabia		Business and Management Skills Training
	Institutional Support of the General Organization of Sanitary Drainage of GreaterCairo, and for the Alexandria General Organization for Sanitary Drainage	Several Feasibility	Assessment of The Role of The Council For Development and Reconstruction (CDR) in Lebanon, Presidency of The Council of Ministers	The Euro-Palestinian Management Program, European Union			
	Monitoring and Evaluation Workshops for the Irrigation Management Systems Project – Ministry of Public Works and Water Resources		Local Government Study in Lebanon, High Relief Committee, Presidency of the Council of Ministers, Lebanon	Training Programs For Officials	Technical Assistance and Consultancy for the Saudi Consolidated Electricity Company For The Southern Region, Saudi Arabia		
	Organizational Support Project for Egyptian Environment Affairs Agency (EEAA)		Study of Free Zones in Lebanon and Syria, UN ESCAW, Lebanon	MBA Program			
	Technical Assistance to the EC Support to the Health Sector Reform Programme (HSRP) for the Ministry of Health and Population		Organizational Development And Information Systems Strategic Plan, Port of Beirut, Lebanon	Institutional Support to Establish the Information Bureau	Manpower Survey in Saudi Arabia for the Manpower Council, Saudi Arabia		
	Public Enterprise Reform & Privatization Program – Pilot Training Scheme to Orientate Senior Management of Public Enterprises toward Private Sector Skills & Practices		Policy and Strategy Study of Social Development Services Centers Council Of Development and Reconstruction (CDR), and The Ministry of Social Affairs (MoSA)		Design and Implementation of Training Programs for Saudi Telecom		
			Regional Socio-Economic Reconstruction and Development Programme For South Lebanon and West Bekaa, High Relief Committee-, and UNDP		Technical Assistance to the Saline Water Conversion Corp.		

5.4.1   Set Clear Objectives

Clearly defined goals and realistic strategies are needed to be formulated reflecting the local political and institutional environment.

5.4.2   Set Priorities Right

The comprehensiveness and complexity of the process of reform is directly proportional to the management capacity needed to implement it. Yet the greater the need for reform, the weaker the capacity to manage it. It is therefore important to draw the priorities among various areas of policy and, institutional reform and rationalize the use of management capacity, in order to achieve the objectives of economic development.

5.4.3   Ownership of Reform

The risks of sustainability are high when reform programmes are perceived to have been imposed from the outside. Ownership of the programme and active involvement by local bodies is a prerequisite for the continuity of reform and improvements.

5.4.4   Reform Not to be Insulated

Reform projects should not be isolated from the mainstream system of administration. Reform efforts should target the overall system within well defined priorities and sequencing of reform components; whereby each step contributes to a coherent long-term vision of comprehensive reform[1].

5.4.5   High Level Commitment

High level explicit political commitment and support for reform initiatives is critical for sustainability of those initiatives. This commitment must be reinforced with an implementing agency with sufficient authority and management capacity to plan and execute reform.

5.4.6   Observe Social Concerns

The degree of downsizing the government needed to get a leaner more effective public service should be balanced by the reality that the civil service has acted as a major employer, especially where unemployment is high. This is not to say that the public administration should be diverted from its main role as an "enabler" of the civil society and the private sector which itself is responsible for generating jobs and creating economic growth.

5.4.7   Participation

There is a need for wide participation in the process of institutional reform by all interested stakeholders including the ministries and agencies which can contribute to the formulation and implementation of reform programs. Partnership with international organizations can enhance the reform process by availing advice and experience as well as success stories, noting that there are no off-the-shelf recepies and that reform needs to be always attuned to the sociopolitical, cultural and economic environment of the region and individual country.

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[*] See: Civil Service Reform, Challenges and Lessons, SURF – AS, 9 July 1999.

6. INNOVATIVE APPROACHES, TOOLS AND MECHANISMS FOR BETTER PUBLIC ADMINISTRATION

6.1 Developing Mission Statement

Establishing a clear mission statement for the public administration / public agency to explain role, scope of services, goals, values in a realistic and achievable manner.

6.2 Developing Coherent Structures

Developing the organization structure, job description and staffing needs, emphasizing the policy management, planning, monitoring and evaluation functions. This requires a rethinking of the whole public administration structure to streamline the administration with its core functions and objectives and to eliminate gaps, overlaps and incoherencies. Attention should be given to balancing the powers of the executive, legislative and judicial branches, and to empowerment of local government by the central government (see Box 3).

6.3 Establishing Policy Framework

Establishing policy framework for private sector participation to improve service delivery capacity, realize performance improvements and ensure sustainability and quality of service. This requires strengthening the policy management function and maintaining coordination with the service delivery agencies for monitoring and evaluation of their performance.

6.4 Developing ICT and E-Government

Establishing ICT strategy towards e-government applications. E-government enhances the effectiveness of government and increases the efficiency of transactions in terms of time and cost. It transforms the relationship between the public administration and the citizens towards a more open system of participation, thus improving accessibility to government services, increasing social inclusion and affecting superior governance (see Box 2).

6.5 Implementing Performance Management

Implementing performance management practices based on objectives, whereby performance is linked to measurable criteria and to comparison of achievements with objectives. Procedures, regulations and systems need to be re-oriented toward results and to allow for flexible responses to the changing environment.

6.6 Developing and Implementing Quality Management Systems

Designing and implementing quality management systems to help attain customer focus and provide high quality services to clients and stakeholders. Quality management initiatives help the organization to affect changes across all levels to transform culture, work habits and attitudes towards citizens, observing the principles of accountability and transparency.

6.7 Upgrading Corporate Infrastructure

Implementing analytical accounting, management accounting and asset accounting to support performance measurement and provide appropriate financial reports for decision making and optimization. Implementing activity based budgeting / performance based budgeting and accrual accounting in line with international accounting principles. Strengthening administrative support functions including time management, adequate office support and office automation.

6.8 Modernizing Human Resource Management

Implementing modern human resource management in lieu of the traditional civil service view of personnel administration, the limitations of which are exemplified in problems of motivation, culture, management practices, work climate and performance. Modern HRM practices focus on the "resource" and "asset" aspects of people, matching skills with core competencies of the organization and stressing performance management in parallel with HR development management.

Box 2

Examples from the Effects of ICT in Transforming the Operation of Government

From the US
- State governments in the US are saving up to 70% by moving services online, compared to the cost of providing the same services over the counter.
- Online license renewal in the state of Arizona costs $2 per transaction, versus $7 over the counter.
- In Washington state, government e-procurement systems are saving an average of 10-20% in terms of material and purchase costs.
- In Alaska, online vehicle registration costs have dropped from $7.75 to only $0.91 using an online system.
- In the US some estimates indicate that over 2% of annual GDP has been saved.

From developing countries
- Eight out of ten Brazilians are filing their income tax forms online this year.
- The government of Brazil saved $10 million when eleven million people paid their income taxes online.
- In India, the newly established Citizen Services Centers in the state of Andhra Pradesh have significantly reduced processing times.
- The use of Internet in Chile to schedule tax payments, check accuracy, and refer back for full tax history has reduced both time and error.
- The Chilean government is expected to save $200 million, from a total of $4 billion in bids tendered annually, after the introduction of a procurement website.

From Arab countries
- The integration of databases of the Moroccan Ministries of Finance and Planning has cut in half the preparation time of the national budget.
- The use of Internet by the Dubai Ports and Customs Authority allows thousands of freight transport companies to reduce time and costs with 24-hous access to customs clearance services.
- The overhaul of government services offered to businesses and individuals in Dubai is estimated to reduce administrative costs by at least 10%.

Sources: Economist [2000], InfoDev [2000], Strategic newspapers website, Microsoft website.

Box 3

SUGGESTIONS FOR BUILDING EFFECTIVE, RESPONSIVE, DEMOCRATIC LOCAL GOVERNANCE[1]

The real challenge [to decentralization processes] is how to create an enabling environment at the national level that would facilitate a genuine decentralization, a devolution of power and resources to local authorities, strengthening their capacity to work in the interest of local population, deliver necessary services in an equitable manner and help expand people opportunities and choices. Important is also an environment where the systems for national and local governance are complementary, and mutually supportive[2].

There is an increasing body of knowledge regarding what can be done to improve local governance. Among the key points are the following:

1. Recognize the complexity of the task, the constraints of resource limitations, and the fuzziness of potential solutions.
2. Citizen empowerment, including marginalized groups, underlies effective local governance.
3. Build sustainable partnerships at different levels of government, international organizations and the private sector.
4. Understand the fragility of the reform process where there are established interests with strong needs or desires to maintain existing practices, or where economic or political circumstances complicate and undermine reform initiatives. This requires patience and long term commitment.
5. Strengthen management capacity and management systems including capacity to develop information on citizen needs, performance and quality management systems, and even basic financial management in terms of budgeting and accounting.
6. Recognize the centrality of an adequate and dependable revenue base to ensure cost recovery and, thus, sustainability and create an environment where elected local public officials act more responsibly by being more attentive to their constituents.
7. Build coalition of support by drawing upon the strength of civil society so that local governments and civil society organizations work in partnership to explore the most effective means for service delivery.
8. Strengthen the partnership of local and central governments to create synergies for continuous improvements of government at all levels.
9. Develop effective public – private partnerships by creating beneficial synergy. Local governments can learn from the private sector in terms of economy, efficiency and accountability, whereas the private sector can benefit from the broader perspective and the wider array of values that the public sector embodies.
10. Need-based planning and budgeting are at the heart of responsive local government. The implementation of participatory planning techniques is important to the development of effective local government including the linking of the outcomes of such processes to the development of budget priorities.
11. Accountability and transparency are critical to building citizen confidence. Local governments have the opportunity to set a new standard of excellence in responsiveness of government to the needs of citizens.
12. Recognize the importance of long term commitment to build creative policy frameworks and sound management practices and to maintain effective partnerships including those with donor organizations.

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[1] UNDP – Responding to Citizens' Needs: Local Governance and Social Services for All, Report of the United Nations Global Forum on Local Governance and Social Services for All, Stockholm, Sweden, 2-5 May 2000.
[2] Ibid – Ms Eimi Watanabe, Assistant Administrator and Director, Bureau for Development Policy, UNDP.

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